

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

IN RE:)
)
PETITION OF KINGSPORT POWER)
COMPANY d/b/a AEP APPALACHIAN) **DOCKET NO. 16-00001**
POWER GENERAL RATE CASE AND)
MOTION FOR PROTECTIVE ORDER)

**FIRST DISCOVERY REQUEST
OF THE CONSUMER PROTECTION AND ADVOCATE DIVISION
TO KINGSPORT POWER COMPANY d/b/a AEP APPALACHIAN POWER**

To: William K. Castle
Appalachian Power Company
Director, Regulatory Services VA/TN
Three James Center
1051 E. Cary Street, Suite 1100
Richmond, VA 23219-4029
wkcastle@aep.com

James R. Bacha, Esq.
Hector Garcia, Esq.
American Electric Power Service Corporation
One Riverside Plaza
P.O. Box 16637
Columbus, OH 43216
jrbacha@aep.com
hgarcia1@aep.com

William C. Bovender, Esq.
Joseph B. Harvey, Esq.
Hunter, Smith & Davis, LLP
1212 N. Eastman Road
P.O. Box 3740
Kingsport, TN 37664
bovender@hsdlaw.com
jharvey@hsdlaw.com

This First Discovery Request is hereby served upon Kingsport Power Company d/b/a AEP Appalachian Power ("Company" or "KgPCo"), pursuant to Rules 26, 33, 34 and 36 of the Tennessee

Rules of Civil Procedure and Tenn. Comp. R. & Reg. 1220-1-2-.11. The Consumer Protection and Advocate Division of the Attorney General's Office ("Consumer Advocate") requests that full and complete responses be provided pursuant to the Tennessee Rules of Civil Procedure. The responses are to be produced at the Office of the Tennessee Attorney General and Reporter, Consumer Protection and Advocate Division, 315 Deaderick Street, 20th Floor, Nashville, Tennessee 37243, c/o Wayne M. Irvin, on or before 4:00 p.m. (CDT), February 19, 2016, or at such other time as may be ordered by the Hearing Officer in the adoption or approval of a procedural schedule in this TRA Docket.

PRELIMINARY MATTERS AND DEFINITIONS

These discovery requests are to be considered continuing in nature, and are to be supplemented from time to time as information is received by KgPCo and any KgPCo affiliate which would make a prior response inaccurate, incomplete, or incorrect.

To the extent that the data or information requested is incorporated or contained in a document, please identify the document.

Provide all responses in the format in which they are created or maintained, for example, Microsoft Word or Microsoft Excel format with all cells and formulas intact and in working order. If a document (including without limitation a financial or other spreadsheet or work paper) is not created or maintained in Microsoft Excel format, convert the document to Microsoft Excel format or provide the document in a format that enables or permits functionality like or similar to Microsoft Excel (including without limitation the functionality of working cells and formulas), or provide the software program(s) that will enable the Consumer Advocate to audit and analyze the data and information in the same manner as would be enabled or permitted if the document were provided in Microsoft Excel format.

If any objections to this discovery are raised on the basis of privilege or immunity, please include in your response a complete explanation concerning the privilege or immunity asserted. If you claim a document is privileged, identify the document and state the basis for the privilege or immunity asserted. If you contend that you are entitled to refuse to fully answer any of this discovery, please state the exact legal basis for each such refusal.

The terms “you” or “your” or “Company” or “KgPCo” as used herein mean Kingsport Power Company d/b/a AEP Appalachian Power and all employees, agents, attorneys, representatives or any other person acting or purporting to act on its behalf.

The term “affiliate” means any entity that controls, is controlled by, or is under common control with the Company. For the avoidance of doubt, American Electric Power Company, Inc. (“AEP, Inc.” or “AEP”), Appalachian Power Company (“APC”), American Electric Power Service Corporation (“AEPSC” or “Service Company”), and any other direct or indirect subsidiary, joint venture, corporation, firm, company, sole proprietorship, partnership, business, unincorporated association, or other entity of any sort whatsoever in which AEP or APC has at least a 50% interest in, or otherwise controls by agreement or other means or method, shall be deemed an affiliate.

The term “person” as used herein refers to any natural person, corporation, firm, company, proprietorship, partnership, business, unincorporated association, or other business or legal entity of any sort whatsoever.

The term “communication” means any transmission of information by oral, graphic, written, pictorial or otherwise perceptible means, including but not limited to personal conversations, telephone conversations, letters, memoranda, telegrams, electronic mail, newsletters, recorded or handwritten messages, meetings and personal conversations, or otherwise.

The term "document" as used herein shall have the broadest possible meaning under applicable law. "Document" as used herein means any medium upon which intelligence or information can be recorded or retrieved, such as any written, printed, typed, drawn, filmed, taped, or recorded medium in any manner, however produced or reproduced, including but not limited to any writing, drawing, graph, chart, form, letter, note, report, electronic mail, memorandum (including memoranda, electronic mail, report, or note of a meeting or communication), workpaper, spreadsheet, photograph, videotape, audio tape, computer disk or record, or any other data compilation in any form without limitation, which is in your possession, custody or control. If any such document was, but no longer is, in your possession, custody or control, please state what disposition was made of the document and when it was made.

The term "identify" with respect to:

- (a) any natural person, means to state the full name, telephone number, and the last known address of business address of the person and that person's relationship, whether business, commercial, professional, or personal with you;
- (b) any legal person, business entity or association, means to state the full name, telephone number, and last known address of such person or entity;
- (c) any document, means to state the type of document (e.g., letter), the title, the subject matter, the date the document bears and the date it was written; and
- (d) any oral communication, means to state the date when and the place where it was made, the identity of the person who made it, the identity of the person or persons who were present or who heard it, and the substance of it.

"Relates to" means constitutes, contains, records, discusses, summarizes, discloses, and/or refers to, in whole or in part.

“And” and “or” shall be construed conjunctively or disjunctively as necessary to make the discovery request inclusive rather than exclusive.

“Including” shall be construed to mean including but not limited to.

The singular shall include the plural, and vice-versa, where appropriate.

FIRST DISCOVERY REQUESTS

1. Please provide all written accounting, tax, regulatory or other policies that are currently being used or have been adopted by KgPCo or that are currently being used or have been adopted by KgPCo affiliates that also are currently applicable to KgPCo. Please provide any such policies that have terminated in the most recent twenty four months.

CATEGORY: General.

RESPONSE:

2. Please provide all written contracts or agreements between KgPCo and any affiliate of KgPCo that are currently in effect or that terminated in the most recent twenty-four months.

CATEGORY: General.

RESPONSE:

3. Provide a copy of the Company’s Exhibits and all workpapers that KgPCo used to produce such Exhibits and schedules filed by KgPCo in this TRA Docket in Microsoft Excel format with formulas intact along with documentation of the audit trail back to supporting work papers.

CATEGORY: General.

RESPONSE:

4. Tariffs and Rate Orders.
 - (a) Provide a copy of the Company’s current Tennessee tariff in unredacted, electronic, and editable format, preferably in Microsoft Word.

- (b) Provide a copy of the Company's proposed Tennessee tariff in unredacted, electronic, and editable format, preferably in Microsoft Word.
- (c) Please refer to the Company's response to Item 19 of the TRA's Minimum Filing Requirement. Please provide a complete and accurate copy (including all attachments, exhibits, and schedules) of the most recent rate case order from each state public utility commission for each affiliate of KgPCo.

CATEGORY: General.

RESPONSE:

- 5. Refer to the Company's response to TRA Staff Data Request #1-022 regarding the monthly trial balance. Please update this response to provide a monthly trial balance from January 2009 through December 2012, and from January 2015 through December 2015.

CATEGORY: General.

RESPONSE:

- 6. Refer to the Company's response to TRA Staff Data Request #1-022 regarding the monthly trial balance. Specifically note that the subaccount detail for plant in service is rolled up into a summary total (Account 1010001). Please update the monthly trial balance schedules to include the detailed 300-series accounts for plant in service (accounts 301 through 399.1) from January 2009 through December 2015. Also, include amounts in Completed Construction Not Classified (account 106) for these same months.

CATEGORY: General.

RESPONSE:

- 7. Refer to the Company's response to TRA Staff Data Request #1-022 regarding the monthly trial balance. Specifically note that the subaccount detail for capital leases is rolled up into a summary total (Account 1011001). Please update the monthly trial balance schedules to

include the detailed subaccounts for capital leases from January 2009 through December 2015.

CATEGORY: General.

RESPONSE:

8. Refer to pages 118, 119 and 162 of the 2014 AEP stockholder's annual report. Specifically refer to the following selected items from the report:

Net Property, Plant & Equipment	\$44,117,000,000
Operating Revenues	\$9,484,000,000
Gross Margin	\$5,531,000,000
Operating Income	\$1,613,000,000
Net Income	\$712,000,000
Total KWh Energy Sales	130,954,000,000 KWh

Please provide segment reconciliation for each of these items from all state jurisdictions including Tennessee for 2014 as well as for similar items for fiscal years 2009 through 2013 and for 2015.

CATEGORY: General.

RESPONSE:

9. Refer to the "Staff Informal 1-24 – DRB & TAC – Attachment 2 – KgPCo Per Book and Going Level Revenues" file included with the Company's response to Item 24 of the TRA's Minimum Filing Requirement. Specifically, refer to the "Summary" tab of this spreadsheet and Column H which is titled "Incremental Weather Adjustment to Revenue". The \$2,426,081 total in this column provides the support for the Company's proposed Weather Normalization Adjustment (OR-1) included on Company Exhibit 2c (DRB). In connection with this adjustment, please provide the following information:

- (a) Provide a narrative of the Company's weather normalization process for all tariffs detailing the documents supporting the adjustment as well as the specific adjustment methodology.

- (b) For each tariff related tab included in this spreadsheet, provide the source and support for all “hard coded” numbers supporting the adjustment including but not limited to Billing Units, Tariff Rates, Annualized Rate, Weather Adjustment to Billing Units and Growth Adjustment to Billing Units.
- (c) Update all tabs in this spreadsheet to include footnotes to the source files. To the extent that any of these referenced source files have not already been provided, please include them with your response.

CATEGORY: Revenue.

RESPONSE:

10. Refer to the “Staff Informal 1-24 – DRB & TAC – Attachment 2 – KgPCo Per Book and Going Level Revenues” file included with the Company’s response to Item 24 of the TRA’s Minimum Filing Requirement. Specifically, refer to the “Summary” tab of this spreadsheet and Column J which is titled “Incremental Growth Adjustment to Revenue”. The \$692,989 total in this column provides the support for the Company’s proposed Customer Growth Adjustment (OR-2) included on Company Exhibit 2c (DRB). In connection with this adjustment, please provide the following information:

- (a) Provide a narrative of the Company’s customer growth process for all tariffs detailing the documents supporting the adjustment as well as the specific adjustment methodology.
- (b) For each tariff related tab included in this spreadsheet, provide the source and support for all “hard coded” numbers supporting the adjustment including but not limited to Billing Units, Tariff Rates, Annualized Rate, Weather Adjustment to Billing Units and Growth Adjustment to Billing Units.
- (c) Update all tabs in this spreadsheet to include footnotes to the source files. To the extent that any of these referenced source files have not already been provided, please include them with your response.

CATEGORY: Revenue.

RESPONSE:

11. Refer to the “Staff Informal 1-24 – DRB & TAC – Attachment 2 – KgPCo Per Book and Going Level Revenues” file included with the Company’s response to Item 24 of the TRA’s

Minimum Filing Requirement. Specifically, refer to the “Summary” tab of this spreadsheet and Column D which is titled “Book to Billed Adjustment”. The \$227,055 total in this column provides the support for the Company’s proposed Book to Billed Adjustment (OR-3) included on Company Exhibit 2c (DRB). In connection with this adjustment, please provide the following information:

- (a) Provide a narrative of the Company’s book to billed adjustment process for all tariffs detailing the documents supporting the adjustment as well as the specific adjustment methodology.
- (b) For each tariff related tab included in this spreadsheet, provide the source and support for all “hard coded” numbers supporting the adjustment including but not limited to Billed and Accrued Per Books Revenue, Billing Units, Tariff Rates, Annualized Rate, Weather Adjustment to Billing Units and Growth Adjustment to Billing Units.
- (c) Update all tabs in this spreadsheet to include footnotes to the source files. To the extent that any of these referenced source files have not already been provided, please include them with your response.

CATEGORY: Revenue.

RESPONSE:

12. Refer to the “Staff Informal 1-24 – DRB & TAC – Attachment 2 – KgPCo Per Book and Going Level Revenues” file included with the Company’s response to Item 24 of the TRA’s Minimum Filing Requirement. Specifically, refer to the “Summary” tab of this spreadsheet and Column F which is titled “Annualization Adjustment”. The \$1,955,389 total in this column provides the support for the Company’s proposed Rate Annualization Adjustment (OR-5) included on Company Exhibit 2c (DRB). In connection with this adjustment, please provide the following information:

- (a) Provide a narrative of the Company’s rate annualization process for all tariffs detailing the documents supporting the adjustment as well as the specific adjustment methodology.
- (b) For each tariff related tab included in this spreadsheet, provide the source and support for all “hard coded” numbers supporting the adjustment including but not limited to Billing

Units, Tariff Rates, Annualized Rate, Weather Adjustment to Billing Units and Growth Adjustment to Billing Units.

- (c) Update all tabs in this spreadsheet to include footnotes to the source files. To the extent that any of these referenced source files have not already been provided, please include them with your response.

CATEGORY: Revenue.

RESPONSE:

- 13. Refer to the “Staff Informal 1-24 – DRB & TAC – Attachment 3 – KgPCo Load Research” file included with the Company’s response to Item 24 of the TRA’s Minimum Filing Requirement.

- (a) Provide a narrative of the Company’s process for collecting this load research data.
- (b) Provide all of this Load Research data in Microsoft Excel format with all formulas intact.
- (c) Provide the source and support for all data included in the load research file.
- (d) Update the load research file to include footnotes to the source files. To the extent that any of these referenced source files have not already been provided, please include them with your response.
- (e) Update the load research file to include footnotes to the destination files where this data is used in the Company’s rate case.

CATEGORY: Revenue.

RESPONSE:

- 14. Refer to the “Staff Informal 1-24 – DRB & TAC – Attachment 1 – KgPCo Weather Impacts & Billing Determinants” file included with the Company’s response to Item 24 of the TRA’s Minimum Filing Requirement.

- (a) Provide a narrative of all tabs (hidden and unhidden) that are included in this Weather Impact & Billing Determinants file.
- (b) Provide the source and support for all data included in this Weather Impacts & Billing Determinants file.

(c) Update the Weather Impact & Billing Determinants file to include footnotes to the source files. To the extent that any of these referenced source files have not already been provided, please include them with your response.

(d) Update the Weather Impact & Billing Determinants file to include footnotes to the destination files where this data is used in the Company's rate case.

CATEGORY: Revenue.

RESPONSE:

15. Refer to the "Staff Informal 1-24 – DRB & TAC – Attachment 1 – KgPCo Weather Impacts & Billing Determinants" file included with the Company's response to Item 24 of the TRA's Minimum Filing Requirement. Specifically, refer to the "Unadj kWh by rate" tab of this spreadsheet. Please provide a legend of the specific rate codes used on this schedule.

CATEGORY: Revenue.

RESPONSE:

16. Refer to the "Staff Informal 1-24 – DRB & TAC – Attachment 1 – KgPCo Weather Impacts & Billing Determinants" file included with the Company's response to Item 24 of the TRA's Minimum Filing Requirement. Specifically, refer to the "Unadj kWh by rate" tab of this spreadsheet. Please provide this same monthly data by rate code from January 2009 through December 2015 in Microsoft Excel format.

CATEGORY: Revenue.

RESPONSE:

17. Please provide the monthly billed kWh by tariff element (step billing rates) from January 2009 through December 2015. Please include the base rate, purchase power rate and rates for any other charges or riders separated by component for each month.

CATEGORY: Revenue.

RESPONSE:

18. Refer to the “Staff Informal 1-24 – DRB & TAC – Attachment 1 – KgPCo Weather Impacts & Billing Determinants” file included with the Company’s response to Item 24 of the TRA’s Minimum Filing Requirement. Specifically, refer to the “Unadj kWh by rate” tab of this spreadsheet. Please provide the billing demand data in this same rate code format from January 2009 through December 2015 in Microsoft Excel format.

CATEGORY: Revenue.

RESPONSE:

19. Refer to the “Staff Informal 1-24 – DRB & TAC – Attachment 1 – KgPCo Weather Impacts & Billing Determinants” file included with the Company’s response to Item 24 of the TRA’s Minimum Filing Requirement. Specifically, refer to the “Unadj kWh by rate” tab of this spreadsheet. Please provide the customer bills data in this same rate code format from January 2009 through December 2015 in Microsoft Excel format.

CATEGORY: Revenue.

RESPONSE:

20. Provide a copy of the Company’s monthly tariff summaries (Billed and Billed & Accrued) from January 2009 through September 2015.

CATEGORY: Revenue.

RESPONSE:

21. Refer to Company Exhibit 2c (DRB) that was included with the Company’s Petition. Specifically refer to Adjustment OR-6 that makes a \$42,522 adjustment to rent from pole attachments. Please provide the source and support for this adjustment in Excel format with all formulas intact.

CATEGORY: Revenue.

RESPONSE:

22. Refer to Company Exhibit 2c (DRB) that was included with the Company's Petition. Specifically refer to Adjustment OR-7 that makes a \$44,641 adjustment for miscellaneous charges. Please provide the source and support for this adjustment in Microsoft Excel format with all formulas intact.

CATEGORY: Revenue.

RESPONSE:

23. Provide a copy of all Street Lighting contracts currently in effect and/or that have terminated in the most recent twenty four month period. In addition, provide a copy of any TPSC/TRA Orders approving these contracts.

CATEGORY: Revenue.

RESPONSE:

24. Refer to Company Exhibit 1b (DRB) that was included with the Company's Petition. Please explain fully why Street Lighting is excluded from the Going Level Revenue.

CATEGORY: Revenue.

RESPONSE:

25. Refer to the Company's response to TRA Staff Data Request #27 regarding electric consumption by the Company's 25 largest customers. For each customer identified in this response, please provide the following information:

- (a) The contact name and phone number of the individual at each company that is most familiar with their electric usage.
- (b) All correspondence with these customers from January 1, 2009 through December 2015 regarding historical, projected or anticipated changes to their electric usage.
- (c) The monthly delivered kWh at each meter point for each customer from January 2009 through December 2015.

(d) A copy of each customer's monthly bill from January 2014 through December 2015.

CATEGORY: Revenue.

RESPONSE:

26. Please provide a copy of the monthly NOAA reports for the Kingsport weather station showing the daily high temperature, daily low temperature, daily heating degree days, and daily cooling degree days from January 1985 through December 2015.

CATEGORY: Revenue.

RESPONSE:

27. Provide the following monthly information by customer class (RS, SGS, MGS, LGS, IP, CS, PS, EHG, OL, SL) by tariff and by rate block from January 2009 through December 2015.

(a) Number of customers;

(b) Billed KWH;

(c) Billing Demand; and

(d) All other billing determinants included in the Company's tariff.

CATEGORY: Revenue.

RESPONSE:

28. Provide monthly plant in service by subaccount from January 2009 through December 2015 detailing the beginning balance, additions, retirements, transfers, adjustments and ending balance to each subaccount for each month. Please provide this analysis in Microsoft Excel format with all formulas intact.

CATEGORY: Rate Base.

RESPONSE:

29. Refer to the “Staff Informal 1-24 – DRB Attachment 5 – JCOS – EPIS 1010001 & 10600019” file included with the Company’s response to Item 24 of the TRA’s Minimum Filing Requirement. Specifically, refer to the “EPIS 1010001 & 1060001” tab of this spreadsheet. Please provide this same information from January 2009 through December 2015 in Microsoft Excel format with all formulas intact.

CATEGORY: Rate Base.

RESPONSE:

30. Refer to the “Staff Informal 1-24 – DRB Attachment 5 – JCOS – EPIS 1010001 & 10600019” file included with the Company’s response to Item 24 of the TRA’s Minimum Filing Requirement. Specifically, refer to the “Adj Entries” tab of this spreadsheet. Please provide a narrative explaining the adjusting entry included on this spreadsheet along with the source and support for the adjusting entries.

CATEGORY: Rate Base.

RESPONSE:

31. Refer to the “Staff Informal 1-24 – DRB Attachment 5 – JCOS – EPIS 1010001 & 10600019” file included with the Company’s response to Item 24 of the TRA’s Minimum Filing Requirement. Specifically, refer to the “Pivot” tab of this spreadsheet. Please provide the current and proposed depreciation rate for each account included on this spreadsheet.

CATEGORY: Rate Base.

RESPONSE:

32. Provide monthly accumulated depreciation by subaccount from January 2009 through December 2015 detailing the beginning monthly balance, accrual, retirements, cost of

removal, salvage, adjustments, and ending monthly balance to each subaccount for each month. Please provide this analysis in Microsoft Excel format with all formulas intact.

CATEGORY: Rate Base.

RESPONSE:

33. Refer to the “Staff Informal 1-24 – DRB Attachment 9 – JCOS – KgPCo Depr & Amort Exp24” file included with the Company’s response to Item 24 of the TRA’s Minimum Filing Requirement. Specifically, refer to the “Pivot” tab of this spreadsheet. Please provide a narrative explaining the adjusting entry included on this spreadsheet along with the source and support for the adjusting entry.

CATEGORY: Rate Base.

RESPONSE:

34. Refer to KgPCo Exhibit No. 2-c (DRB) that was included with the Company’s Petition. Specifically, refer to “Adjustment EP-38 – Forecasted Plant in Service Capital Additions from Jan 2015 through Dec 2016 net of estimated retirements” that is included on pages 8 and 12 of this Exhibit and total to an adjustment of \$9,749,409 to total net electric plant in service. Please provide the source and support for this adjustment, along with a fully documented audit trail. Provide the related calculations in Microsoft Excel format with all formulas intact.

CATEGORY: Rate Base.

RESPONSE:

35. Refer to KgPCo Exhibit No. 2-c (DRB) that was included with the Company’s Petition. Specifically, refer to “Adjustment AD-39 – Increase A/D provision for the contra to the increase in depreciation expense based on 12/2014 depreciable plant” that is included on pages 8 and 12 of this Exhibit and total to an adjustment of \$20,516 to total net electric plant

in service. Please provide the source and support for this adjustment, along with a fully documented audit trail. Provide the related calculations in Microsoft Excel format with all formulas intact.

CATEGORY: Rate Base.

RESPONSE:

36. Refer to KgPCo Exhibit No. 2-c (DRB) that was included with the Company's Petition. Specifically, refer to "Adjustment AD-40 – 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" that is included on pages 8 and 12 of this Exhibit and total to an adjustment of \$7,988,600 to total net electric plant in service. Please provide the source and support for this adjustment, along with a fully documented audit trail. Provide the related calculations in Microsoft Excel format with all formulas intact.

CATEGORY: Rate Base.

RESPONSE:

37. Refer to KgPCo Exhibit No. 2-c (DRB) that was included with the Company's Petition. Specifically, refer to "Adjustment AD-41 – Decrease Accumulated Depreciation for estimated plant in service retirements from 1/1/15 through the 13 month average" that is included on pages 8 and 12 of this Exhibit and total to an adjustment of \$3,715,949 to total net electric plant in service. Please provide the source and support for this adjustment, along with a fully documented audit trail. Provide the related calculations in Microsoft Excel format with all formulas intact.

CATEGORY: Rate Base.

RESPONSE:

38. Provide the monthly balance in Materials & Supplies by subaccount from January 2009 through December 2015 detailing the beginning monthly balance, additions, removals, adjustments and ending monthly balance to each subaccount for each month. Please provide this analysis in Microsoft Excel format with all formulas intact.

CATEGORY: Rate Base.

RESPONSE:

39. Provide the monthly balance in Prepayments-Payroll by subaccount from January 2009 through December 2015 detailing the beginning monthly balance, additions, removals, adjustments and ending monthly balance to each subaccount for each month. Please provide this analysis in Microsoft Excel format with all formulas intact. Also, provide a narrative describing the cause and nature of these prepayments.

CATEGORY: Rate Base.

RESPONSE:

40. Provide the monthly balance in Prepayments-Plant in Service by subaccount from January 2009 through December 2015 detailing the beginning monthly balance, additions, removals, adjustments and ending monthly balance to each subaccount for each month. Please provide this analysis in Microsoft Excel format with all formulas intact. Also, provide a narrative describing the cause and nature of these prepayments.

CATEGORY: Rate Base.

RESPONSE:

41. Provide the monthly balance in Prepayments-Distribution by subaccount from January 2009 through December 2015 detailing the beginning monthly balance, additions, removals, adjustments and ending monthly balance to each subaccount for each month. Please provide

this analysis in Microsoft Excel format with all formulas intact. Also, provide a narrative describing the cause and nature of these prepayments.

CATEGORY: Rate Base.

RESPONSE:

42. Provide the monthly balance in Contributions in Aid of Construction by subaccount from January 2009 through December 2015 detailing the beginning monthly balance, additions, removals, adjustments and ending monthly balance to each subaccount for each month. Please provide this analysis in Microsoft Excel format with all formulas intact.

CATEGORY: Rate Base.

RESPONSE:

43. Provide the monthly balance in Customer Deposits by subaccount from January 2009 through December 2015 detailing the beginning monthly balance, additions, removals, adjustments and ending monthly balance to each subaccount for each month. Please provide this analysis in Microsoft Excel format with all formulas intact.

CATEGORY: Rate Base.

RESPONSE:

44. Provide the monthly balance in Accumulated Deferred FIT by subaccount from January 2009 through December 2015 detailing the beginning monthly balance, additions, removals, adjustments and ending monthly balance to each subaccount for each month. Please provide this analysis in Microsoft Excel format with all formulas intact.

CATEGORY: Rate Base.

RESPONSE:

45. Provide the monthly balance in Accumulated Deferred ITC by subaccount from January 2009 through December 2015 detailing the beginning monthly balance, additions, removals, adjustments and ending monthly balance to each subaccount for each month. Please provide this analysis in Microsoft Excel format with all formulas intact.

CATEGORY: Rate Base.

RESPONSE:

46. Provide the actual capital structure including dollar amounts and percentages of short term debt, long term debt, preferred stock, and common equity for each of the twelve months ending December 31, 2011, 2012, 2013, 2014, and 2015, for:

- (a) KgPCo subsidiary only.
- (b) American Electric Power Company, Inc., parent only.
- (c) American Electric Power Company, Inc., consolidated.

Also, provide the accompanying cost rates for short term debt, long term debt, and preferred stock.

CATEGORY: Cost of Capital.

RESPONSE:

47. Provide the forecasted capital structure including dollar amounts and percentages of short term debt, long term debt, preferred stock, and common equity for the year ending December 31, 2016, for:

- (a) KgPCo, subsidiary only.
- (b) American Electric Power Company, Inc., parent only.
- (c) American Electric Power Company, Inc., consolidated.

Also, provide the accompanying cost rates for short term debt, long term debt, and preferred stock.

CATEGORY: Cost of Capital.

RESPONSE:

48. For each of KgPCo's subsidiary-only capital structures for the twelve months ending December 31, 2011, 2012, 2013, 2014, 2015; and forecasted for December 31, 2016, identify the amounts of any short-term debt, long-term debt, preferred stock, and common stock, including paid in capital or other direct equity infusions, that were NOT issued or obtained through American Electric Power Company, Inc., or any American Electric Power Company subsidiary. For the amounts of short term debt, long term debt, or preferred stock so identified, also provide the associated cost rate.

CATEGORY: Cost of Capital.

RESPONSE:

49. For each dividend on common stock paid by KgPCo from January 1, 2011, through December 31, 2015, please provide:
- (a) The date on which each dividend was paid;
 - (b) The dollar amount per share of each dividend payment;
 - (c) The share price on the date of the dividend payment.

CATEGORY: Cost of Capital.

RESPONSE:

50. For each dividend on common stock paid by American Electric Power Company from January 1, 2011, through December 31, 2015, please provide:
- (a) The date on which each dividend was paid;

(b) The dollar amount per share of each dividend payment;

(c) The share price on the date of the dividend payment.

CATEGORY: Cost of Capital.

RESPONSE:

51. For all new issues of common stock since January 1, 2005, by KgPCo or American Electric Power Company, please provide the date of the issue, the price per share, the number of shares issued, the gross and net amounts realized from the issue, and whether the shares were sold to the public or distributed or sold to American Electric Power Company, Inc., or any of its subsidiaries.

CATEGORY: Cost of Capital.

RESPONSE:

52. Provide detailed calculations of the DCF Unlevered and CAPM Unlevered Cost of Equity figures for American Electric Power and the eight companies shown on Exhibit No. 9 (PRD) attached to the pre-filed direct testimony of Dr. Phillip R. Daves.

CATEGORY: Cost of Capital.

RESPONSE:

53. Provide detailed calculations of each entry in "Panel B: Kingsport's Levered Required Return on Equity..." of Exhibit No. 10 (PRD) attached to the pre-filed direct testimony of Dr. Phillip R. Daves.

CATEGORY: Cost of Capital.

RESPONSE:

54. Please provide a complete copy of all of the Company's internal accounting manuals, directives, policies and procedures currently in effect or that have terminated in the most recent twenty four months.

CATEGORY: Accounting Information.

RESPONSE:

55. Please provide the cost allocation manual or other similar document that describes the methods used to allocate Service Company costs to KgPCo and/or other operating companies.

CATEGORY: Accounting Information.

RESPONSE:

56. Please provide a list of all internal audit reports for 2012 through 2015 and 2016 to date for KgPCo and for affiliates and/or operations which charge costs to KgPCo.

CATEGORY: Accounting Information.

RESPONSE:

57. Please provide a copy of all jurisdictional operating budget variance reports for 2012, 2013, 2014, 2015 and 2016 to date.

CATEGORY: Operating Expenses.

RESPONSE:

58. Please provide a copy of all incentive compensation/bonus plans in effect for KgPCo and its affiliates, and provide the level of related bonus payments included in KgPCo's cost of service, by account, for each plan.

CATEGORY: Operating Expenses.

RESPONSE:

59. Accumulated Deferred Income Taxes (ADIT). Please provide a detailed itemization of each item of ADIT of KgPCo and/or AEP consolidated as of 12/31/2012, 12/31/2013, 12/31/2014, 12/31/2015 and 2016 to date. For each item, identify the book/tax-timing difference that causes the ADIT, explain fully when that temporary timing difference first arose, identify the amount of the timing difference as of each date, and describe in detail whether and how that particular timing difference relates to an item of utility rate base, utility revenue and/or utility expense, and how the related item has been reflected in the Company's filing for ratemaking purposes. In addition, state whether KgPCo and/or AEP has any amount of ADIT that is not expected to reverse and, if so, please provide details as to how KgPCo and/or AEP consolidated are accounting for each permanent book-tax difference.

CATEGORY: Operating Expenses.

RESPONSE:

60. Please provide the following monthly labor data for the Company for 2012, 2013, 2014, 2015 and 2016 to date, showing annual totals.
- (a) Number of actual employees broken down between type (e.g. salaried, hourly, union, non-union, temporary, etc.).
 - (b) Number of authorized employees broken down between type (e.g. salaried, hourly, union, non-union, temporary, etc.).
 - (c) Regular payroll broken down between expensed, capitalized and other.
 - (d) Overtime payroll broken down between expensed, capitalized and other.
 - (e) Temporary payroll broken down between expensed, capitalized and other; and
 - (f) Other payroll (specify).

CATEGORY: Operating Expenses.

RESPONSE:

61. Employee Levels.

- (a) Please provide the number of KgPCo employees for 2012, 2013, 2014, 2015 and 2016 to date.
- (b) Please provide the number of Service Company employees for 2012, 2013, 2014, 2015 and 2016 to date.
- (c) Please provide the number of employees for each other KgPCo affiliate that charges or allocates cost to KgPCo for 2012, 2013, 2014, 2015 and 2016 to date.

CATEGORY: Operating Expenses.

RESPONSE:

62. Please provide the wage rate increases granted by the Company by date and employee category for 2012, 2013, 2014, 2015 and to-date in 2016.

CATEGORY: Operating Expenses.

RESPONSE:

63. Please explain fully whether the employee positions used in the Company's labor calculations are authorized/budgeted or actually filled positions. In addition to and without limiting the foregoing, respond to the following specific requests:

- (a) Identify, quantify, and explain fully the labor costs requests requested by the Company for positions which were not filled at the end of the test year.
- (b) Identify, quantify, and explain fully the labor costs requests requested by the Company for positions which are not currently filled.

CATEGORY: Operating Expenses.

RESPONSE:

64. Please provide a detailed list of responsibilities and duties that eligible incentive compensation employees must have or perform in addition to those necessary to meet the standards for base salary compensation in order to receive incentive compensation.

CATEGORY: Operating Expenses.

RESPONSE:

65. Please refer to the payroll tax returns (Form 941) that were provided in response to Staff DR 1-050. Please provide the Form 941 return for the 3rd quarter of 2015 (should be available) and the Form 941 for the 4th quarter of 2015 (as soon as it is available).

CATEGORY: Operating Expenses, Payroll and Payroll Tax.

RESPONSE:

66. Please explain fully how the Company determines that the achievement of any incentive compensation goals are reached as a result of the incentive compensation plan, as opposed to other reasons. Provide all supporting data.

CATEGORY: Operating Expenses.

RESPONSE:

67. Please provide a description of the Company's merit and cost of living wage rate increase policies.

CATEGORY: Operating Expenses.

RESPONSE:

68. Please identify and provide a complete copy of all compensation studies that the Company has used to develop or evaluate compensation in the test year, attrition period or rate year.

CATEGORY: Operating Expenses.

RESPONSE:

69. Please identify and provide a complete copy of all compensation studies that the Company has relied upon or intends to rely upon for purposes of the current rate case.

CATEGORY: Operating Expenses.

RESPONSE:

70. (a) Did the Company anticipate reducing the number of employees, including any voluntary severance, early retirement or other force reduction programs, during 2015? If yes, state the timing and number of affected employees. Also state the projected costs and savings of any such plan.
- (b) Does the Company anticipate reducing the number of employees during the next three years (2016-2018)? If yes, state the timing and number of affected employees. Also state the projected costs and savings of any such plan.

CATEGORY: Operating Expenses.

RESPONSE:

71. Please explain fully and provide the derivation of the expense/capitalization ratio used by the Company, for years 2013, 2014 and 2015.

CATEGORY: Operating Expenses.

RESPONSE:

72. Please provide the following for each Company employee position during the 2014 test year and, separately, during 2015 that experienced a change of incumbent:
- (a) Position title;
 - (b) Employee replaced;
 - (c) Annual salary of replaced employee;
 - (d) Replacement employee;
 - (e) Annual salary of replacement employee; and
 - (f) Date of replacement.

CATEGORY: Operating Expenses.

RESPONSE:

73. Please provide a listing of the total compensation of each officer of AEP, Service Company, Appalachian Power Company, KgPCo, and each affiliate that charges or allocates compensation cost to KgPCo. Provide this information for each year, 2013, 2014 and 2015.

For each item of officer compensation, for each year, show the total amount, the amount charged or allocated to KgPCo, and indicate the separate amount charge to O&M expense and capitalized, and breakdown the total compensation by type including, but not limited to, salary, deferred compensation, stock options, vehicle allowances, personal use of corporate aircraft, and any other type of compensation.

CATEGORY: Operating Expenses.

RESPONSE:

74. Provide a detailed description of each Company employee benefit program or plan, and identify the cost for each employee benefit program in the test year, and, if different, in the Company's requested cost of service, by account.

CATEGORY: Operating Expenses.

RESPONSE:

75. Please provide the basis for the Company's cost of each separate employee benefit (e.g., flat rate per employee, percentage of payroll, claims experience, etc.), and provide the most current known cost rate for each separate benefit.

CATEGORY: Operating Expenses.

RESPONSE:

76. Please provide the monthly level of each separate benefit cost broken down between expensed, capitalized and other the Company for 2012, 2013, 2014, 2015 and 2016 to date. Also, provide the annual totals, by account, for employee benefit costs for each of these periods.

CATEGORY: Operating Expenses.

RESPONSE:

77. Please provide the level of current Company and AEP consolidated accumulated pension plan funding requirements and explain fully how such amounts are treated by the Company for ratemaking purposes (including specifically in Tennessee), and why.

CATEGORY: Operating Expenses.

RESPONSE:

78. Please provide a copy of AEP consolidated and the Company's three most recent pension plan and post-retirement benefits actuarial studies for each defined benefit pension plan and Other Post Employment Benefit (OPEB) plan. For each such plan and study, show in detail how the costs are allocated or charged to KgPCo.

CATEGORY: Operating Expenses.

RESPONSE:

79. Please list all net periodic pension cost and pension funding payments by AEP consolidated and the Company for each year 1990 through 2015.
- (a) For each pension funding contribution, in each year, indicate how much was required by ERISA and how much was discretionary.
 - (b) For each discretionary pension funding payment identified in response to part a, identify and provide all quantitative and other analysis that was used to evaluate and determine the amount of funding payment.
 - (c) For each discretionary pension funding payment identified in response to part (a), identify and provide all presentations to the AEP board and board committees and also identify and provide all related board and board committee minutes.
 - (d) For each discretionary pension funding payment identified in response to part (a), identify and provide all presentations to the Company's board and board committees and also identify and provide all related board and board committee minutes.

CATEGORY: Operating Expenses.

RESPONSE:

80. How much pension cost has the Company requested (1) in rate base and (2) in operating expenses? Show the amounts by account. Include supporting workpapers showing how those costs were derived.

CATEGORY: Operating Expenses.

RESPONSE:

81. How much OPEB cost has the Company requested (1) in rate base and (2) in operating expenses? Show the amounts by account. Include supporting workpapers showing how those costs were derived.

CATEGORY: Operating Expenses.

RESPONSE:

82. Please provide a detailed analysis (including without limitation a description, dates and amounts) of any gains or losses on utility property sold by the Company during 2012, 2013, 2014, 2015 and 2016 to date. Also, please explain fully how such amounts have been treated for ratemaking purposes.

CATEGORY: Operating Expenses.

RESPONSE:

83. Please provide a detailed list of all penalties and fines paid to any governmental or nongovernmental entity by the Company that are included in cost of service by separate type and/or payee.

CATEGORY: Operating Expenses.

RESPONSE:

84. Please provide the level of contributions and donations by the Company included in cost of service by separate payee, along with a description and the purpose for each payee.

CATEGORY: Operating Expenses.

RESPONSE:

85. Please provide the level of country club dues incurred by the Company in the test year and indicate how they have been treated for cost of service purposes.

CATEGORY: Operating Expenses.

RESPONSE:

86. Please provide the level of dues included by the Company in cost of service by separate payee, along with a description and the purpose for membership for each payee.

CATEGORY: Operating Expenses.

RESPONSE:

87. Please provide the level of payments made by the Company to industry organizations other than membership dues included in cost of service along with a description of each payee organization or project.

CATEGORY: Operating Expenses.

RESPONSE:

88. Please provide the level of lobbying included by the Company in cost of service by separate payee, along with a description of each payee.

CATEGORY: Operating Expenses.

RESPONSE:

89. Please provide the level of employee relocation expenses included by the Company in cost of service by employee and indicate to which of the various relocation plans such amounts relate (i.e., new employees, supplemental new employees, temporary assignment, area differential,

employee relocation, etc.). Also, provide the annual costs charged to O&M for the previous three years.

CATEGORY: Operating Expenses.

RESPONSE:

90. Please provide a copy of the Company's relocation plan.

CATEGORY: Operating Expenses.

RESPONSE:

91. Please identify the amounts included by the Company in cost of service during the test year for the following items, by account:

- (a) Membership dues in service, social and professional organizations (identify);
- (b) Lobbying expenses;
- (c) Charitable contributions;
- (d) Investor relations expenses;
- (e) Public relations expense, including an explanation of the nature and purpose of the activities, and
- (f) Advertising expenses broken down by categories including product, marketing, corporate, institutional, informational, etc.

CATEGORY: Operating Expenses.

RESPONSE:

92. Identify the amount paid or accrued by the Company for Edison Electric Institute ("EEI") dues expense and other EEI expenses and expenses for EEI sub-groups, by account, for the test year, and provide a complete copy of the related invoices and show in detail how the EEI charges are allocated to KgPCo. Also, provide similar information for 2015.

CATEGORY: Operating Expenses.

RESPONSE:

93. Please provide a copy of the most recent NARUC audit report of the EEI, and provide a detailed listing of all payments made by the Company to EEI during the test year. Also, provide any separate payments for EEI media communications.

CATEGORY: Operating Expenses.

RESPONSE:

94. Has the Company included any costs associated with cancelled construction projects or obsolete inventory in requested rates? If so, please separately identify the costs by account, and provide the supporting documentation, and explain fully the reason for the cancellation or obsolescence.

CATEGORY: Operating Expenses.

RESPONSE:

95. Please provide a copy of the Company's policy on personal use of Company automobiles and provide the related costs of any such personal use included in requested cost of service.

CATEGORY: Operating Expenses.

RESPONSE:

96. Please provide a copy of the AEP policy on personal use of corporate aircraft and provide the related costs of any such personal use included in requested cost of service. If any cost of personal use is included in KgPCo cost of service, provide details with specificity of such costs. In addition, state in detail with specificity whether any amount of the cost of corporate aircraft is directly or indirectly allocated to KgPCo's customers, and, for any such allocated amount, state such amount and provide details with specificity of the amount of such

allocation and the basis for such allocation, including without limitation the rationale for such allocation and specific means, methods, and calculations resulting in such allocation.

CATEGORY: Operating Expenses.

RESPONSE:

97. Please provide the following for the test year level of miscellaneous sales expenses:

- (a) Payee;
- (b) Amount per payee;
- (c) Purpose of activities performed by payee.

CATEGORY: Operating Expenses.

RESPONSE:

98. Please provide the level of fees, benefits, and other amounts paid to each separate member of the KgPCo, Service Company, and AEP Board of Directors included in cost of service. For the AEP and Service Company board expenses, show in detail how such costs are allocated and charged to KgPCo.

CATEGORY: Operating Expenses.

RESPONSE:

99. Please provide the level of Company rate case expense incurred for the current rate case and the last two rate cases broken down by payee and type of activity.

CATEGORY: Operating Expenses.

RESPONSE:

100. Please provide the following annual jurisdictional data related to uncollectible accounts for 2012, 2013, 2014, 2015 and 2016 to date:

- (a) Bad debt expense;

- (b) Bad debt write-offs;
- (c) Collections of written-off accounts;
- (d) Allowance for doubtful accounts; and
- (e) Billed revenues

CATEGORY: Operating Expenses.

RESPONSE:

101. Please identify each building that is being leased by KgPCo and provide a list of the related leases and provide a copy of the lease rate portion, including escalation clauses of each lease.

CATEGORY: Operating Expenses.

RESPONSE:

102. Please provide, in list form, the details of all judgments and/or settlements resulting from suits brought which involved the Company as a defendant, and which resulted in the Company, during the test year, paying or agreeing to pay or being ordered to pay an amount in excess of \$10,000, including but not limited to the case name, court or other tribunal, case or docket number, the date filed, the date of settlement or the date of judgment and the amount the Company was ordered or agreed to pay. Provide this information even if appeals are pending and note every instance of an appeal.

CATEGORY: Operating Expenses.

RESPONSE:

103. Please provide a summary schedule which presents the total costs included by the Company in cost of service related to charges from the affiliated Service Company by FERC account.

CATEGORY: Operating Expenses.

RESPONSE:

104. Please provide the monthly invoice/bill to the Company for activities performed by the Service Company and costs charged to KgPCo by the Service Company in 2013, 2014, 2015 and 2016 to date.

CATEGORY: Operating Expenses.

RESPONSE:

105. Please identify the amounts included by the Company in cost of service during the test year, by account, from the Service Company for the following items:

- (a) Membership dues in service, social and professional organization (identify);
- (b) Lobbying expenses;
- (c) Charitable contributions;
- (d) Investor relations expenses;
- (e) Public relations expense, including an explanation of the nature and purpose of the activities;
- (f) Advertising expenses broken down by categories including project, marketing, corporate, institutional, informational, etc., and
- (g) Corporate aircraft.

CATEGORY: Operating Expenses.

RESPONSE:

106. Please provide the annual amounts of total and jurisdictional property tax expense paid or accrued by the Company for 2012 through 2014, 2015 and 2016 to date.

CATEGORY: Operating Expenses.

RESPONSE:

107. Please provide for the Company the most recent actual property tax assessments and rates.

CATEGORY: Operating Expenses.

RESPONSE:

108. Please provide the number of Company customers, by rate class, by month, for the test year and for all available months subsequent to the test year.

CATEGORY: Operating Expenses.

RESPONSE:

109. Filing Information. As the Company discovers errors or omissions in any filing in this TRA Docket 16-00001, identify such errors and provide documentation to support any changes. Please update this response as additional information becomes available.

CATEGORY: Operating Expenses.

RESPONSE:

110. Financial, FERC Form 1 or equivalent. Please provide copies of the Company's two most recent FERC Form 1's or equivalent annual reports.

CATEGORY: Operating Expenses.

RESPONSE:

111. Injuries and Damages. State the amount of injuries and damages expense paid or accrued by the Company for 2012, 2013, 2014, 2015 and 2016 to date, by account.

CATEGORY: Operating Expenses.

RESPONSE:

112. Insurance Expense. Itemize each component of insurance expense included by the Company in the test year, and provide comparative information for calendar year 2012, 2013, 2014, 2015 and 2016 to date. Indicate the accounts and amounts in which each item of insurance is recorded.

CATEGORY: Operating Expenses.

RESPONSE:

113. Legal Expense. Please itemize the amount of non-rate case legal expense paid or accrued by the Company for the test year. For each distinct item over \$20,000, show payee, amount, account, and indicate what services were performed and what the subject matter of the services was.

CATEGORY: Operating Expenses.

RESPONSE:

114. Non-recurring Expenses. For each expense account of the Company for the test year, list each non-recurring charge or credit which exceeded \$25,000.

(a) For each such charge or credit, state the amount, the basis and provide copies of all journal entries and supporting documentation.

(b) Reconcile the dollar amounts included above to any adjustments proposed by the Company.

CATEGORY: Operating Expenses.

RESPONSE:

115. Advertising Expense. Please identify and quantify the Company's test year advertising costs by category (e.g. promotional, informational, institutional, safety, etc.) and account, and provide representative samples of advertising copy for each category provided. Please include in your response advertising costs billed through the Service Company.

CATEGORY: Operating Expenses.

RESPONSE:

116. Show the amounts of advertising expenses paid or accrued by the Company in each account for each year 2009 through 2015.

CATEGORY: Operating Expenses.

RESPONSE:

117. Incentive Compensation. How much is KgPCo requesting for incentive compensation expense in its filing in this proceeding? Please identify, quantify and explain fully all amounts that the Company is requesting, including (1) incentive compensation direct charged to KgPCo, and (2) incentive compensation allocated to KgPCo by the Service Company or any other affiliate.

CATEGORY: Operating Expenses.

RESPONSE:

118. Please identify the amount of incentive compensation that was expensed by the Company during the test period, including separately, the amounts billed through the Service Company.

CATEGORY: Operating Expenses.

RESPONSE:

119. Please provide complete and accurate copies of any and all incentive compensation programs of the Company in effect during 2014 and/or 2015, including those covering employees billed through the Service Company.

CATEGORY: Operating Expenses.

RESPONSE:

120. Stock Based Compensation.

- (a) Please list, by amount and account, all stock based compensation expense directly or indirectly charged to KgPCo during the test year, including but not limited to executive stock options, performance share awards, accruals made pursuant to ASC 718 and any other stock based compensation awards that resulted in cost being charged to KgPCo during the test year.
- (b) Provide a description of each distinct stock based compensation program that resulted in charges to KgPCo during the test year.
- (c) Please explain fully and in detail the amount of stock-based compensation that the Company has included in cost of service for the test year ended December 31, 2014.

- (d) Pursuant to part (c), please break out the stock-based compensation included in test year cost of service by (1) stock-based compensation direct charged to KgPCo, and (2) stock-based compensation that was allocated to KgPCo from the Service Company.

CATEGORY: Operating Expenses.

RESPONSE:

121. Supplemental Executive Retirement Plan (SERP).

- (a) Please provide the level of SERP expense, by account, included in the Company's cost of service for the test year ended December 31, 2014.
- (b) Please provide the comparable SERP expense for each year 2012, 2013, 2014 and 2015.
- (c) Provide the most recent actuarial reports for SERP.
- (d) Provide all actuarial studies, reports and estimates used for SERP for the test year ended December 31, 2014.

CATEGORY: Operating Expenses.

RESPONSE:

122. Provide a schedule showing the allocation factors used by the Service Company to allocate common and joint costs among the affiliates, including without limitation KgPCo, for the years 2013, 2014, and 2015.

CATEGORY: Operating Expenses.

RESPONSE:

123. Provide a complete copy of the most recent internal or external audit report prepared by or for the Company or any of its electric utility affiliates concerning charges by the affiliate Service Company to the electric utility subsidiaries of AEP, including without limitation KgPCo.

CATEGORY: Operating Expenses.

RESPONSE:

124. Concerning 2014 and 2015 Service Company charges that were expensed by the Company, please provide a schedule showing a breakout of those expenses that were directly charged to KgPCo and those expenses that were allocated to KgPCo. For the Service Company expenses that were allocated to KgPCo, please provide a matrix that identifies which allocation factor/methodology was used to allocate each category of shared service. Please also indicate in your response which expenses were removed in the Company's filing for ratemaking purposes.

CATEGORY: Operating Expenses.

RESPONSE:

125. Service Company financial reports and trial balance.

(a) Please provide complete copies of the Service Company's detailed annual financial reports (including without limitation its balance sheet and income statement and all other annual financial reports) for 2013 and 2014.

(b) Please provide a copy of the Service Company's trial balance as of December 31, 2015.

CATEGORY: Operating Expenses.

RESPONSE:

126. Is KgPCo using outside service providers for any services that the Service Company is capable of providing? If so, please explain fully why and identify the specific services, their cost by account, and how they were accounted for in 2013, 2014 and for each month in 2015.

CATEGORY: Operating Expenses.

RESPONSE:

127. Did KgPCo have any uncertain tax positions at either 12/31/2013, 12/31/2014 or 12/31/2015?

If so, explain fully in detail how the FIN 48 amounts for 2013 and 2014 were determined.

Provide a complete analysis of all uncertain tax positions in 2013, 2014 and 2015, and include

complete supporting workpapers that evaluate each tax position and its uncertainty and the percentage that was deemed to be uncertain. Include supporting details and workpapers.

CATEGORY: Operating Expenses.

RESPONSE:

128. Bonus Tax Depreciation.

- (a) Does the Company agree that the availability of 2015 bonus tax depreciation would constitute a known and measurable change for any test years involving 2015 or later periods if a “tax extenders” bill that is currently pending in the U.S. Congress is passed? If not, explain fully why not.
- (b) Please provide a detailed listing by plant account of all plant and equipment added in 2015. Provide the listing in Microsoft Excel.
- (c) Please identify, in the listing provided in response to part (b), all plant and equipment having an MACRS recovery period of 20 years or less, and provide the MACRS recovery period for such property.
- (d) Did the Company claim 2014 bonus tax depreciation? If not, explain fully why not.
- (e) Does the Company intend to claim 2015 bonus tax depreciation? If not, explain fully why not.
- (f) Does the Company agree that the impact of utilizing the 2015 bonus tax depreciation will be a substantial increase in the balance of Accumulated Deferred Income Taxes that offset rate base, and thus a significant decrease to utility rate base? If not, explain fully why not.
- (g) Please provide calculations showing the impact of 2012, 2013 and 2014 bonus tax depreciation and include complete supporting calculations and Excel files with all formulas and calculations intact.

CATEGORY: Operating Expenses.

RESPONSE:

129. Did KgPCo or AEP opt out of (i.e., not take) bonus tax depreciation in any year (2011 through 2014)? If so, explain fully, and for each year for which AEP or KgPCo did not claim full available amounts of bonus tax depreciation in each year, provide the related analysis. In addition to and without limiting the forgoing, respond to the following specific requests:

- (a) Please confirm that any tax net operating loss ("NOL") can be carried forward for 20 years to reduce future income taxes. If this cannot be confirmed, explain fully why this is not the case.
- (b) Please provide all analysis performed by or for AEP, for APC, and for KgPCo comparing the projected results of (1) claiming bonus tax depreciation and (2) non claiming bonus tax depreciation for each year. Include all assumptions and supporting workpapers.
- (c) Please provide all AEP and KgPCo projections of taxable income that were used to evaluate whether using bonus tax depreciation that could be claimed in each year will result in overall tax savings during each tax year of the 20 year tax NOL carry forward period.
- (d) How much current income tax expense is KgPCo claiming in the current case for the test year, before and after its requested revenue increase?
- (e) What amount of tax NOL did KgPCo have as of each date: 12/31/2011, 12/31/2012, 12/31/2013, 12/31/2014 and 9/30/2015?
- (f) Show in detail how the KgPCo tax NOLs as of 12/31/2014 and 6/30/2015 were determined.
- (g) What amount of tax NOL does AEP have as of each date: 12/31/2011, 12/31/2012, 12/31/2013, 12/31/2014 and 6/30/2015?
- (h) Show in detail how the AEP tax NOLs as of each date were determined: 12/31/2011, 12/31/2012, 12/31/2013, 12/31/2014, 9/30/2015 and 12/31/2015.
- (i) Show in detail how much federal taxable income KgPCo has for the first year of new rates in the current TN rate case as if the Company's requested revenue increase were to be granted in full. Include supporting calculations.
- (j) Provide all Microsoft Excel files, electronically, with formulas and calculations intact, relative to your answers to this data request.

CATEGORY: Operating Expenses.

RESPONSE:

- 130. Please provide AEP's Board of Directors' meeting minutes since January 1, 2014. Include all studies, documents, presentations, and other materials referenced in the minutes. Also include all minutes (and studies, documents, presentations, and other materials referenced in the minutes) of Board committee meetings.

CATEGORY: General.

RESPONSE:

131. Please provide KgPCo's Board of Directors' meeting minutes since January 1, 2014. Include all studies, documents, presentations, and other materials referenced in the minutes. Also include all minutes (and studies, documents, presentations, and other materials referenced in the minutes) of Board committee meetings.

CATEGORY: General.

RESPONSE:

132. Refer to Wright Testimony, pages 7 and 8, in which the Company proposes that a certain base level of major storm costs (\$490,477) be recovered in base rates. To enable the Consumer Advocate to evaluate this in the context of this rate case, please provide a list and description of weather events from January 2010 through December 2015 that constituted "major storms" affecting KgPCo, and state the corresponding costs of each major storm that were recorded by KgPCo in each account.

CATEGORY: Storm Cost Recovery.

RESPONSE:

133. With reference to the Wright testimony referred to in Discovery Request No. 132 and for the reasons stated in that request, please provide pro forma calculations that show:
- (a) The amount of revenue that KgPCo would have recovered by including the proposed base level of major storm costs in base rates from January 2010 through December 2015, including returns earned on this revenue;
 - (b) The amount of over/under recovery per year compared with actual major storm costs from January 2010 through December 2015.

CATEGORY: Storm Cost Recovery.

RESPONSE:

134. With reference to the Wright testimony referred to in Discovery Request No. 132 and for the reasons stated in that request, note that Wright testifies on page 7 that the Company's adjustment for major storm damage "is expected to mitigate [KgPCo's] need to file individual storm cost recovery cases." Please explain fully how the adjustment will mitigate KgPCo's need to file individual storm cost recovery cases.

CATEGORY: Storm Cost Recovery.

RESPONSE:

135. With reference to the Wright testimony referred to in Discovery Request No. 132 and for the reasons stated in that request, state whether or not capital costs associated with major storm recovery are currently reflected in rate base or otherwise charged to ratepayers, and whether Adjustment OM-12 includes average capital costs? If yes, please identify the corresponding accounts and respective amounts.

CATEGORY: Storm Cost Recovery.

RESPONSE:

136. Refer to Wright Testimony, pages 9-12, and Webb Testimony, page 4, in which the Company proposes the Tennessee Reliability Strategy ("TRS") and requests that ongoing O&M expenses for the TRS be included in base rates. Based on the testimony in this Docket, on what date will KgPCo first be on a four-year tree-trimming cycle? Explain.

CATEGORY: TRS.

RESPONSE:

137. Refer to Wright Testimony, pages 5 and 9-12, and Webb Testimony, page 4, in which the Company proposes the Tennessee Reliability Strategy ("TRS") and requests that O&M expenses be adjusted upward by \$2,087,140 (Adjustment OM-8) to implement the TRS.

Wright states at page 9, “The Company will require additional capital expenditure above the 2016 forecasted amount in order to implement its TRS in support of enhanced distribution reliability.” Why does the proposed base rate amount of O&M expense (\$2,990,512) not include all costs associated with the TRS implementation? Explain.

CATEGORY: TRS.

RESPONSE:

138. Company Witness Wright testifies at page 6 of his testimony that the expenses for the TRS “during its first four years of implementation will be approximately \$4.3 million, while the average cost of the remaining six years will be approximately \$3.4 million.” To enable the Consumer Advocate to evaluate Company Witness Wright’s testimony, please provide all studies, analyses, and/or reports on which the Company relies for this testimony and for the amounts of requested TRS costs.

CATEGORY: TRS.

RESPONSE:

139. With reference to the Wright Testimony referred to in Discovery Request No. 138, and in order for the Consumer Advocate evaluate Adjustment OM-8, please explain fully whether the Company intends to seek an additional recovery from customers for O&M expenditures for the TRS during the first ten years of the TRS program, during which time those expenditures are estimated to exceed the proposed base rate amount of \$2,990,512.

CATEGORY: TRS.

RESPONSE:

140. Please explain fully how KgPCo will determine the order in which it will perform tree-trimmings for its various rights-of-way (“ROWS”)? If there will be a change in the number of

transmission and/or distribution miles subject to tree-trimming as a result of the TRS, please identify and explain fully the change.

CATEGORY: TRS.

RESPONSE:

141. For each year 2009 through 2015, please provide the number of miles budgeted for tree trimming in the Company's service territory and the number of miles actually trimmed. Please provide this budgeted and actual information separately for transmission and distribution miles.

CATEGORY: TRS.

RESPONSE:

142. Please provide with specificity the amount of overtime costs and expenses KgPCo incurred during the test year, and during 2015 as a result of disruptions caused by trees or equipment failure. Please list the respective test year and 2015 figures separately.

CATEGORY: TRS.

RESPONSE:

143. Please state the effect that adopting the TRS will have on KgPCo's labor expenses? In your response to this question, provide in native spreadsheet format the actual test year values and the pro forma values as if the TRS were in place of the following (please segregate your responses by contract and KgPCo affiliate):
- (a) AEP corporate management salary attributed to KgPCo's vegetation management and correcting equipment failures;
 - (b) KgPCo management salary attributed to KgPCo's vegetation management and correcting equipment failures;
 - (c) Supervisors attributed to KgPCo's vegetation management and correcting equipment failures;

- (d) Field personnel attributed to KgPCo's vegetation management and correcting equipment failures;
- (e) Number of company workers attributed to KgPCo's vegetation management and correcting equipment failures; and
- (f) Number of contract workers attributed to KgPCo's vegetation management and correcting equipment failures.

CATEGORY: TRS.

RESPONSE:

144. Please explain fully and provide all studies, analyses, and/or reports performed or received by KgPCo or any affiliate of KgPCo concerning or relating to whether the proposed TRS will:

- (a) Reduce O&M, and if so, by what amount;
- (b) Reduce expenses and service disruptions associated with major storms, and if so, by what amount; and
- (c) Reduce recurring annual transmission and distribution plan investment and removal costs.

CATEGORY: TRS.

RESPONSE:

145. Please explain fully and provide all studies, analyses, and/or reports performed or received by KgPCo or any affiliate of KgPCo concerning or relating to how you will determine whether TRS activities are capitalized.

CATEGORY: TRS.

RESPONSE:

146. Please explain fully and provide all studies, analyses, and/or reports performed or received by KgPCo or any affiliate of KgPCo concerning or relating to the Company's determination that the TRS programs will enhance reliability, system hardening, and storm recovery efforts.

CATEGORY: TRS.

RESPONSE:

147. Please provide all studies, analyses, and/or reports estimating the effects of TRS on System Average Interruption Frequency Index (SAIFI) and System Average Interruption Duration Index (SAIDI) for the 10-year implementation period (2017-2026).

CATEGORY: TRS.

RESPONSE:

148. Please provide System Average Interruption Frequency Index (SAIFI) and System Average Interruption Duration Index (SAIDI) information for the Company for each year in the 10-year period, 2007-2016.

CATEGORY: TRS.

RESPONSE:

149. Please provide a list of all vegetation management contractors or contractors providing a similar service and, in addition, describe any ownership or organizational relationship of each such contractor to any KgPCo employee or other independent contractor. Describe all steps taken by KgPCo and its affiliates to assure no direct or indirect conflicts of interest arise with respect to vegetation management contracts.

CATEGORY: TRS.

RESPONSE:

150. For the period from January 2013 through December 2015, provide by account the amount expensed and the amount capitalized for all tree-trimming activities. In this specific request, do NOT include tree-trimming costs associated with KgPCo's separate requests for storm damage costs.

CATEGORY: TRS.

RESPONSE:

151. Please refer to Castle Testimony, page 4, and Buck Testimony, pages 5-7 and 23-28, where the Company proposes to gradually equalize class rates of return based on cost-of-service data by realigning base rates over the next six years. To enable the Consumer Advocate to evaluate this Rate Realignment Rider, identify and provide a copy of all studies, analysis, reports, and any other sources upon which Company Witness Buck relied for this statement: “Meeting this objective [of designing rates to reflect the actual costs of serving the customer] requires that the rates of return for all classes be equalized.” (Buck Testimony, p. 23).

CATEGORY: Rate Realignment Rider.

RESPONSE:

152. With reference to the Castle and Buck testimonies referred to in Discovery Request No. 151 and for the reasons stated in that request, based on the average residential customer’s kWh usage and the Rate Realignment Rider adjustments proposed in Company Witness Buck’s testimony at pages 27-28, provide pro forma calculations of the average residential customer’s monthly bills from years 1 through 6.

CATEGORY: Rate Realignment Rider.

RESPONSE:

153. With reference to the Castle and Buck testimonies referred to in Discovery Request No. 151 and for the reasons stated in that request, based on the average public school’s kWh usage and the Rate Realignment Rider adjustments proposed in Company Witness Buck’s testimony at pages 27-28, provide pro forma calculations of the average public school’s monthly bills from years 1 through 6.

CATEGORY: Rate Realignment Rider.

RESPONSE:

154. Refer to Caudill Testimony, pages 6-7, in which the Company proposes increased monthly demand charges for residential, small general service, church service, and M.G.S. tariffs. To enable the Consumer Advocate to evaluate this, identify and provide copies of all studies, analyses, reports, and other sources upon which Company Witness Caudill relied for her statements that “fixed costs are generally recovered through demand charges” (p. 6) and “it is appropriate to collect fixed costs through a demand charge, whenever possible” (p. 7).

CATEGORY: Rate Design.

RESPONSE:

155. With reference to the Caudill testimony referred to in Discovery Request No. 154 and for the reasons stated in that request, note that Company Witness Caudill states that as a result of increased demand charges “the average customer will see less volatility in bills from low to high usage months” (p. 6). In light of this statement, does KgPCo admit that increased demand charges will result in the following (if KgPCo denies the following, please explain and provide pro forma calculations based on the average residential customer’s bill to support your position):

- (a) A lesser portion of the average customer’s bill will be based on her usage, therefore she will have less control over her monthly electric bill (as compared to the situation where the demand charge does not increase);
- (b) Reduced consumption will have a less significant effect on the average customer’s bill, therefore she will be less incentivized to engage in electricity conservation (as compared to the situation where the demand charge does not increase)?

CATEGORY: Rate Design.

RESPONSE:

156. With reference to the Caudill testimony referred to in Discovery Request No. 154 and for the reasons stated in that request, please provide all studies, analyses, or reports that have been conducted or received by KgPCo or any KgPCo affiliate on KgPCo's ratepayers regarding their preferences of paying a demand charge or continuing to have a larger portion of their bill vary based on usage. Also, please identify and, if available, provide a copy of all studies, analyses, and/or reports of which KgPCo or KgPCo affiliate is aware regarding KgPCo ratepayers' preferences of paying a demand charge or continuing to have a larger portion of their bill vary based on usage.

CATEGORY: Rate Design.

RESPONSE:

157. With reference to the Caudill testimony referred to in Discovery Request No. 154 and for the reasons stated in that request, consider two hypothetical residential customers: Customer A lives in a 4,000 sq. ft. single-family home and averages 1,500 kWh per month; Customer B lives in a 1,000 sq. ft. apartment and averages 900 kWh per month. Please provide detailed calculations of the following for each Customer A and Customer B:
- (a) An average monthly bill based on actual rates from 2014;
 - (b) An average monthly bill based on actual rates from 2015;
 - (c) An average monthly bill based on pro forma calculations with the proposed increased demand charge and proposed change in rates; and
 - (d) The average fixed costs attributable to each customer for the test year, separated by month.

CATEGORY: Rate Design.

RESPONSE:

158. Refer to Castle Testimony, pages 5-6, in which the Company proposes to implement a new Net Metering Service Rider ("NMS-2"). To enable the Consumer Advocate to evaluate this,

state the effect that KgPCo (and/or any of KgPCo's affiliates) expect that the implementation of NMS-2 will have on the number of NMS customers in KgPCo's service area? Also specifically state in detail the effect that KgPCo (and/or any of KgPCo's affiliates) expect that the implementation of a demand charge (as a part of NMS-2), will have on the number of NMS customers in KgPCo's service area? Identify and provide copy of all studies, analyses, and/or reports relied upon in your response.

CATEGORY: Net Metering.

RESPONSE:

159. With reference to the Castle testimony referred to in Discovery Request No. 158 and for the reasons stated in that request, for each of KgPCo's NMS customers, provide the following:
- (a) A copy of the bills rendered to each Net Metering customer of KgPCo from January 2013 through December 2015;
 - (b) Pro forma calculations showing the hypothetical monthly bill amounts under NMS-2 for the same months.

CATEGORY: Net Metering.

RESPONSE:

160. With reference to the Castle testimony referred to in Discovery Request No. 158 and for the reasons stated in that request, explain fully and with specificity the method or mechanism of calculation as to how NMS-2 customers' "highest peak demand realized during the month" (Castle Testimony, p. 6) will be calculated?

CATEGORY: Net Metering.

RESPONSE:

161. With reference to the Castle testimony referred to in Discovery Request No. 158 and for the reasons stated in that request, for electricity that is sold back to the grid from NMS-2

customers' generation, explain fully and with specificity the rationale for crediting such customers' bills at the rate of the Company's variable cost of production, rather than at the fully delivered cost. In your response to this request, address the role, impact, and effect of the proposed demand charge. Identify and provide a copy of all studies, analyses, and/or reports relied upon in your response.

CATEGORY: Net Metering.

RESPONSE:

162. With reference to the Castle testimony referred to in Discovery Request No. 158 and for the reasons stated in that request, state, in table form, the number of KgPCo Net Metering customers by month from January 2013 through December 2015 and provide an estimate of the number of KgPCo Net Metering customers for each month of the next three fiscal years. Identify and provide a copy of all studies, analyses, and/or reports relied upon in your response. Provide the same information for any KgPCo affiliate that has a tariff containing Net Metering terms or provisions and provide a copy of any such tariff(s) for the periods described in this request.

CATEGORY: Net Metering.

RESPONSE:

163. With reference to the Castle testimony referred to in Discovery Request No. 158 and for the reasons stated in that request, state in detail with specificity the total generation capacity (kW) owned by Net Metering customers of KgPCo by month from January 2013 through December 2015.

CATEGORY: Net Metering.

RESPONSE:

164. With reference to the Castle testimony referred to in Discovery Request No. 158 and for the reasons stated in that request, state the total inverter capacity (kW) owned by Net Metering customers of KgPCo by month from January 2013 through December 2015.

CATEGORY: Net Metering.

RESPONSE:

165. With reference to the Castle testimony referred to in Discovery Request No. 158 and for the reasons stated in that request, state KgPCo's peak load (kW) by month from January 2013 through December 2015.

CATEGORY: Net Metering.

RESPONSE:

166. With reference to the Castle testimony referred to in Discovery Request No. 158 and for the reasons stated in that request, state the total kWh generated by KgPCo's Net Metering customers and purchased by KgPCo by month from January 2013 through December 2015.

CATEGORY: Net Metering.

RESPONSE:

167. With reference to the Castle testimony referred to in Discovery Request No. 158 and for the reasons stated in that request, state the average rate per kWh paid for electricity purchased by KgPCo from Net Metering customers by month from January 2013 through December 2015.

CATEGORY: Net Metering.

RESPONSE:

168. With reference to the Castle testimony referred to in Discovery Request No. 158 and for the reasons stated in that request, describe the process used by KgPCo to determine the compensation rate for electricity generated by Net Metering customers.

CATEGORY: Net Metering.

RESPONSE:

169. With reference to the Castle testimony referred to in Discovery Request No. 158 and for the reasons stated in that request, state whether KgPCo “cashes out” or fully compensates its Net Metering customers for power purchases at the end of every billing period or whether KgPCo’s purchases are only reflected as credits on the Net Metering customer’s bill?

CATEGORY: Net Metering.

RESPONSE:

170. With reference to the Castle testimony referred to in Discovery Request No. 158 and for the reasons stated in that request, state the average fuel cost (avoided cost) per kWh that KgPCo paid to Appalachian Power Company by month from January 2013 through December 2015.

CATEGORY: Net Metering.

RESPONSE:

171. With reference to the Castle testimony referred to in Discovery Request No. 158 and for the reasons stated in that request, state the residential fuel clause rate by month from January 2013 through December 2015.

CATEGORY: Net Metering.

RESPONSE:

172. With reference to the Castle testimony referred to in Discovery Request No. 158 and for the reasons stated in that request, provide a copy of all documents directly or indirectly related to or concerning Net Metering that the Company has distributed in any form or manner or by any means to its customers in Tennessee.

CATEGORY: Net Metering.

RESPONSE:

173. With reference to the Castle testimony referred to in Discovery Request No. 158 and for the reasons stated in that request, provide the Company's forecast of Net Metering customers and energy purchases/sales by year for 2016 through 2020. In your response, state all forecasting assumptions used in calculating or determining the Company's forecast. Also, state the number of Net Metering customers and energy purchases/sales by those customers in 2015.

CATEGORY: Net Metering.

RESPONSE:

174. With reference to the Castle testimony referred to in Discovery Request No. 158 and for the reasons stated in that request, state whether or not KgPCo has demand meters installed for Net Metering customers? If so, provide the historical demand determinants for Net Metering customers from January 2013 through December 2015.

CATEGORY: Net Metering.

RESPONSE:

175. With reference to the Castle testimony referred to in Discovery Request No. 158 and for the reasons stated in that request, state whether KgPCo has dual channel meters installed for Net Metering customers that measure both electric imports and exports?

CATEGORY: Net Metering.

RESPONSE:

176. Refer to Castle Testimony, pages 6-15, where the Company proposes the Residential Direct Load Control Program and the Residential Low Income Program, collectively Demand Side Management ("DSM") programs. To enable the Consumer Advocate to evaluate these,

identify, describe, and quantify the financial incentives that KgPCo customers will receive if they elect to participate in the Residential Direct Load Control Program.

CATEGORY: Residential Direct Load Control Program.

RESPONSE:

177. With reference to the Castle testimony referred to in Discovery Request No. 176 and for the reasons stated in that request, describe each and every predefined instance in which KgPCo will have control over customers' usage under the Residential Direct Load Control Program.

CATEGORY: Residential Direct Load Control Program.

RESPONSE:

178. With reference to the Castle testimony referred to in Discovery Request No. 176 and for the reasons stated in that request, in any instance in which KgPCo is controlling a customer's usage through the Residential Direct Load Control Program, will the customer have any ability to override the Company's control? Please explain fully. If a customer would not have any ability to override the Company's control, explain fully the Company's rationale for such inability.

CATEGORY: Residential Direct Load Control Program.

RESPONSE:

179. With reference to the Castle testimony referred to in Discovery Request No. 176 and for the reasons stated in that request, state the criteria for determining who qualifies as a high-usage, low-income residential customer, and state the number of KgPCo customers that meet these criteria.

CATEGORY: Residential Direct Load Control Program; Residential Low Income Program.

RESPONSE:

180. With reference to the Castle testimony referred to in Discovery Request No. 176 and for the reasons stated in that request, would participants in the Residential Low Income Program also be subject to the monthly residential demand charge? If those participants would be subject to that demand charge, state in detail and with specificity the circumstances under which this would occur.

CATEGORY: Residential Low Income Program.

RESPONSE:

181. With reference to the Castle testimony referred to in Discovery Request No. 176 and for the reasons stated in that request, provide in table form:

- (a) The average electric bill for KgPCo's high-usage, low-income residential customers from January 2013 through December 2015;
- (b) Pro forma calculations for years 1, 2, and 3, of the Residential Low Income Program, accounting for KgPCo's proposed demand charge and metered rates.

CATEGORY: Residential Low Income Program.

RESPONSE:

182. With reference to the Castle testimony referred to in Discovery Request No. 176 and for the reasons stated in that request, identify the existing Weatherization Assistance Program providers who will administer the Residential Low Income Program. Please provide all contracts that KgPCo has signed, or plans to sign, with these providers.

CATEGORY: Residential Low Income Program.

RESPONSE:

183. With reference to the Castle testimony referred to in Discovery Request No. 176 and for the reasons stated in that request, explain fully the bases for the estimated number of participants

in the each DSM program for years 1, 2, and 3, and, in addition, provide copies of all studies, analyses, and/or reports underlying such bases.

CATEGORY: Residential Direct Load Control Program; Residential Low Income Program.

RESPONSE:

184. With reference to the Castle testimony referred to in Discovery Request No. 176 and for the reasons stated in that request, explain fully the bases for the estimated DSM program costs for each program over years 1, 2, and 3, and, in addition, provide copies of all studies, analyses, and/or reports underlying such bases.

CATEGORY: Residential Direct Load Control Program; Residential Low Income Program.

RESPONSE:

185. With reference to the Castle testimony referred to in Discovery Request No. 176 and for the reasons stated in that request, based on your estimations for participation, energy savings, and demand savings for each DSM program, please provide calculations for the estimated total savings realized by all participating residential customers for each of years 1, 2, and 3, and, in addition, provide copies of all studies, analyses, and/or reports underlying such bases.

CATEGORY: Residential Direct Load Control Program; Residential Low Income Program.

RESPONSE:

186. With reference to the Castle testimony referred to in Discovery Request No. 176 and for the reasons stated in that request, have any KgPCo affiliates proposed or implemented a similar DSM program in another jurisdiction? If yes, please state the following for each proceeding:
- (a) The jurisdiction;
 - (b) The case/docket number;
 - (c) The opening and closing dates of the case/docket;

(d) The final commission or authority decision.

CATEGORY: Residential Direct Load Control Program; Residential Low Income Program.

RESPONSE:

187. With reference to the Castle testimony referred to in Discovery Request No. 176 and for the reasons stated in that request, if KgPCo earns a rate of return on DSM program costs through base rates but incurs lower actual costs, will KgPCo also refund its excess returns to customers? Explain.

CATEGORY: Residential Direct Load Control Program; Residential Low Income Program.

RESPONSE:

188. With reference to the Castle testimony referred to in Discovery Request No. 176 and for the reasons stated in that request, provide an estimate of the savings that KgPCo will realize through the implementation of these DSM programs for years 1, 2, and 3, and, in addition, provide copies of all studies, analyses, and/or reports underlying such bases. State whether and, if so, in what form these savings will be passed on to customers? Please explain and describe in detail with specificity the portion of total savings that will be passed on to customers, the distribution of savings across customer classes, and the timing of this process.

CATEGORY: Residential Direct Load Control Program.

RESPONSE:

189. With reference to the Castle testimony referred to in Discovery Request No. 176 and for the reasons stated in that request, provide detailed calculations for each of the following cost-benefit ratios for each DSM program:

(a) Total Resource Cost test;

(b) Utility Cost test;

- (c) Participant Cost test; and
- (d) Ratepayer Impact Measure test.

CATEGORY: Residential Direct Load Control Program.

RESPONSE:

190. Refer generally to the Simmons Testimony, in which the Company proposes various changes to its terms and condition of service, as well as fee changes. To enable the Consumer Advocate to evaluate this, specifically note GHS Exhibit No. 1, page 6, which states: “The appropriate residential tariff shall cease to apply to that portion of a residence which becomes regularly used for business, professional, institutional or any gainful purpose.” Explain in detail with specificity the means or methods that the Company will use to make its determinations about the applicability of the residential tariff. Specifically explain fully how the Company would make determinations regarding the following hypothetical residences and how the Company would manage “separating the wiring so that the residential portion of the premises is served through a separate meter under such schedules and the other uses as enumerated above are served through a separate meter or meters under the appropriate general service tariff”:

- (a) Customer A works from home five days a week in her five-room house. On any given week, she will work in three of the five rooms.
- (b) Customer B works from home one day a week, and on that one day she works exclusively from her home office, which is one of the ten rooms in her house.
- (c) Customer C works outside her home for most of the year. During regularly scheduled school holidays (summer vacation, fall break, winter break, and spring break), she works from home five days a week from various rooms in her ten-room house.
- (d) Customer D works around-the-clock every day of the week, including work at her office, on the road, and at her residence. There is no pattern to her work schedule.

CATEGORY: Terms & Conditions of Service.

RESPONSE:

191. With reference to the Simmons testimony referred to in Discovery Request No. 190 and for the reasons stated in that request, explain fully how the Company will monitor business, professional, institutional, or gainful activities occurring in customers' residences?

CATEGORY: Terms & Conditions of Service.

RESPONSE:

192. With reference to the Simmons testimony referred to in Discovery Request No. 190 and for the reasons stated in that request, explain fully how the Company will determine what constitutes the transaction of business activities in "[d]etached buildings actual appurtenant to the customer's residence."

CATEGORY: Terms & Conditions of Service.

RESPONSE:

193. With reference to the Simmons testimony referred to in Discovery Request No. 190 and for the reasons stated in that request, provide the average returned check fee for each affiliate of KgPCo and, in addition, what is the average returned check fee for the combined KgPCo affiliates who are authorized to collect such fees? Provide detailed calculations for each such KgPCo affiliate and for the combined KgPCo affiliates, with references to the source for such calculations.

CATEGORY: Terms & Conditions of Service.

RESPONSE:

194. With reference to the Simmons testimony referred to in Discovery Request No. 190 and for the reasons stated in that request, provide the average fees for meter and accuracy tests for each affiliate of KgPCo and, in addition, what is the average fees for meter and accuracy tests

for the combined KgPCo affiliates who are authorized to collect such fees? Provide detailed calculations for each such KgPCo affiliate and for the combined KgPCo affiliates, with references to the source for such calculations.

CATEGORY: Terms & Conditions of Service.

RESPONSE:

195. With reference to the Simmons testimony referred to in Discovery Request No. 190 and for the reasons stated in that request, provide the average reconnection fee for each affiliate of KgPCo and, in addition, what is the average reconnection fee for the combined KgPCo affiliates who are authorized to collect such fees? Provide detailed calculations for each such KgPCo affiliate and for the combined KgPCo affiliates, with references to the source for such calculations.

CATEGORY: Terms & Conditions of Service.

RESPONSE:

196. With reference to the Simmons testimony referred to in Discovery Request No. 190 and for the reasons stated in that request, from January 2013 through December 2015, provide with corresponding account numbers the Company's total revenue from reconnection fees and the Company's total incurred costs of reconnection.

CATEGORY: Terms & Conditions of Service.

RESPONSE:

197. With reference to the Simmons testimony referred to in Discovery Request No. 190 and for the reasons stated in that request, note that GHS Exhibit 1, page 10, states with respect to reconnection: "the Company may, at its option, require a deposit from the customer prior to

reconnecting the service.” Explain in detail and with specificity the means, methods, and calculations by which the Company will determine the amount of each such the deposit.

CATEGORY: Terms & Conditions of Service.

RESPONSE:

198. With reference to the Simmons testimony referred to in Discovery Request No. 190 and for the reasons stated in that request, explain fully the rationale for requiring a customer who disconnects and reconnects within eight months to pay her avoided monthly service charge for those eight months. Identify and provide a copy of all studies, analyses, reports, and/or other sources that were relied upon in responding to this request.

CATEGORY: Policy-Terms & Conditions of Service.

RESPONSE:

199. With reference to the Simmons testimony referred to in Discovery Request No. 190 and for the reasons stated in that request, state whether KgPCo is required to pay a franchise fee to the City of Kingsport? In addition to and without limiting the forgoing, respond to the following specific requests:

- (a) Identify the amount and corresponding terms of any such franchise fee;
- (b) If a franchise fee agreement is in effect or has otherwise been agreed to (either in principle or be being executed), provide a copy of such franchise fee agreement;
- (c) State whether the Company will seek to recover any such franchise fee from customers through base rates or otherwise;
- (d) If you plan to recover any such franchise fee from customers, explain fully whether the Company will assess customers who live in its service area but do not live in the City of Kingsport for this fee.

CATEGORY: Terms & Conditions of Service.

RESPONSE:

200. Identify, for each response, all persons assisting in the answering of each of these requests.

Please state the request(s) on which each such person(s) assisted.

CATEGORY: General.

RESPONSE:

201. Please identify each person who you expect to call as an expert witness at the hearing on the merits in this docket, and for each such expert witness:

- (a) Identify the field in which the witness is to be offered as an expert;
- (b) Provide complete background information, including the witness's current employer, as well as his or her educational, professional and employment history, and qualifications within the field in which the witness is expected to testify;
- (c) Identify all publications written or presentations presented in whole or in part by the witness, including either a copy of all such publications and presentations or a reference to where such publications and presentations may be publicly obtained;
- (d) Provide the grounds for the opinions to which the witness is expected to testify, and provide a summary of the grounds for each such opinion;
- (e) Identify any matter in which the expert has testified (through deposition or otherwise) by specifying the name, docket number and forum of each case, the dates of the prior testimony and the subject of the prior testimony, and identify the transcripts of any such testimony;
- (f) Identify the terms of the retention or engagement of each expert including but not limited to the terms of any retention or engagement letters or agreements relating to his/her engagement, testimony, and opinions as well as the compensation to be paid for the testimony and opinions;
- (g) Identify any exhibits to be used as a summary of or support for the testimony or opinions provided by the expert; and
- (h) Please produce copies of all documents, summaries, charts, trade articles, journals, treatises, publications, workpapers, file notes, chart notes, tests, test results, interview notes, and consultation notes provided to, reviewed by, utilized by, relied upon, created by, or produced by any proposed expert witness in evaluating, reaching conclusions or formulating an opinion in this matter.

CATEGORY: Legal.

RESPONSE:

202. Please identify all persons having knowledge of discoverable matters in this case.

CATEGORY: Legal.

RESPONSE:

203. Please produce copies of all documents referred to or relied upon in responding to these discovery requests.

CATEGORY: Legal.

RESPONSE:

204. Please produce copies of all hearing exhibits that you plan to introduce, use, or reference at the hearing on the merits in this docket.

CATEGORY: Legal.

RESPONSE:

205. Please produce copies of all documents -- including, without limitation, work papers, spreadsheets, summaries, charts, notes, exhibits, articles, journals, treatises, periodicals, publications, reports, records, statements, Internet web pages, or financial information -- relied upon by any of your witnesses in evaluating, reaching conclusions, or formulating an opinion in this matter.

CATEGORY: Legal.

RESPONSE:

206. Identify all information, documents and things filed in the present docket record, including all responses to discovery of the parties and data request from the TRA Staff, which KgPCo produced in this docket and does not agree to stipulate to the authenticity of such information, documents and things in this proceeding. For each separate piece of information, documents

and things which KgPCo produced in this docket and KgPCo contends is not admissible as evidence describe in specific detail any objection(s) KgPCo claims as to admissibility into the evidentiary record in this docket.

CATEGORY: Legal.

RESPONSE:

207. Data requests of others.

- (a) Provide a copy of all data requests served on the Company from all parties concerning the testimony of KgPCo witnesses and other issues being addressed in this rate case.
- (b) Provide a copy of the Company's responses to all data requests from part a.
- (c) To the extent that any of the responses being provided in part (b) involve calculations made using a program such as Microsoft Excel, or Access, please include a complete copy of the electronic files, with formulas, calculations, macros and cell references intact.
- (d) Please continuously update your response to this data request as the Company receives and responds to data requests of other parties.

CATEGORY: Legal.

RESPONSE:

RESPECTFULLY SUBMITTED,



WAYNE M. IRVIN (BPR #30946)
Assistant Attorney General
Office of the Attorney General
Consumer Protection and Advocate Division
P.O. Box 20207
Nashville, Tennessee 37202-0207
(615) 532-5512
wayne.irvin@ag.tn.gov

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served via U.S. Mail or electronic mail upon:

William K. Castle
Appalachian Power Company
Director, Regulatory Services VA/TN
Three James Center
1051 E. Cary Street, Suite 1100
Richmond, VA 23219-4029
wkcastle@aep.com

James R. Bacha, Esq.
Hector Garcia, Esq.
American Electric Power Service Corporation
One Riverside Plaza
P.O. Box 16637
Columbus, OH 43216
jrbacha@aep.com
hgarcia1@aep.com

William C. Bovender, Esq.
Joseph B. Harvey, Esq.
Hunter, Smith & Davis, LLP
1212 N. Eastman Road
P.O. Box 3740
Kingsport, TN 37664
bovender@hdsdlaw.com
jharvey@hdsdlaw.com

This the 2nd day of February, 2016.



Wayne M. Irvin