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**Of Counsel*

www.hsdlaw.com

KPOW.92585

February 23, 2016

VIA OVERNIGHT DELIVERY:

Herbert Hilliard, Chairman
c/o Sharla Dillon, Dockets & Records Manager
Tennessee Regulatory Authority
502 Deaderick Street, 4th Floor
Nashville, TN 37243

Re: Petition of Kingsport Power Company d/b/a AEP Appalachian Power General Rate Case
TRA Docket No.: 16-00001

Dear Chairman Hilliard:

We submit herewith for electronic filing the Second Partial Responses of Kingsport Power Company to the First Discovery Request of the Consumer Protection and Advocate Division. Said responses are being served on the proper parties by email and/or overnight delivery.

The responses consist of four (4) hard copies and four (4) accompanying disks which are hereby submitted to the TRA and one copy of the hard copy response and one disk to each of the attorneys listed in the certificate of service.

Please see that the hard copies are filed in the dockets. The information on the disk is voluminous.

Should there be any questions, please contact the writer.

Very sincerely yours,

HUNTER, SMITH & DAVIS, LLP

A large, stylized handwritten signature in black ink, appearing to read 'W. C. Bovender', is written over the firm name.

William C. Bovender

Enclosures

c: Monica L. Smith-Ashford, Esq.
David Foster
Charles Welch, Jr., Esq.
Henry Walker, Esq.
Michael J. Quinan, Esq.
Wayne Irvin, Esq.
James R. Bacha, Esq.
William Castle
Larry Foust
Joseph Harvey, Esq.

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

IN RE:

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

DOCKET NO.: 16-00001

**SECOND PARTIAL RESPONSES OF KINGSPORT POWER COMPANY TO FIRST
DISCOVERY REQUEST OF THE CONSUMER PROTECTION
AND ADVOCATE DIVISION**

Comes Petitioner, Kingsport Power Company d/b/a AEP Appalachian Power ("Company" or "KgPCo") and hereby responds to the First Discovery Request of the Consumer Protection and Advocated Division ("CAD") as to certain of the multiple-part discovery requests which have been served on KgPCo.

The following portions of the Request are being responded to: 1, 3, 5-14, 28, 29, 31, 32, 34-41, 43-51, 55, 57, 59-70, 73, 75, 76, 78, 80-84, 88-90, 93, 95, 97, 99, 106, 107, 109-114, 119, 120, 122-129, 141, 158-161, 163-171, 173-189, and 200-206; subject to general objections set forth herein below or any objections to individual requests as contained in said responses.

GENERAL OBJECTIONS

1. Even though KgPCo has chosen to respond to all 207 discovery requests of CAD, some responses being individual objections, KgPCo hereby objects to any further discovery requests by the CAD, submitted to KgPCo, as same exceed the limitation set forth in TRA Rule 1220-1-2-.11(5)(a).

2. KgPCo hereby objects to the attempt by the CAD to lessen the time to respond to its First Discovery Request, demanding responses on or before, February 19, 2016. The First Discovery Request was sent out February 2, 2016, and, under the discovery rules of the Tennessee Rules of Civil Procedure, KgPCo is entitled to thirty (30) days to respond. It is discovery abuse to serve over 400 requests (includes subparts) and demand a response within seventeen (17) days.

3. KgPCo objects to the "Definitions" portion of the First Discovery Request as same are unduly burdensome, oppressive and designed merely to harass. The scope of said Definitions makes it virtually impossible to respond and the scope of same will be narrowed by KgPCo in its responses.

Subject to said GENERAL OBJECTIONS and any specific objections made to individual requests as contained in these or upcoming responses, KgPCo responds to the portions of the First Discovery Request attached hereto.

Kingsport Power Company d/b/a Appalachian
Power Company

By: 
William K. Castle

Title: Director, Regulatory Services VA/TN

STATE OF Virginia)
CITY OF Richmond)

WILLIAM K. CASTLE, being first duly sworn upon oath, deposes and says that he is the Director, Regulatory Services VA/TN for Kingsport Power Company d/b/a AEP Appalachian Power, the Petitioner in the above-entitled action, and that he is authorized to make this Affidavit on its behalf; that he has read the foregoing Responses to Discovery Request Nos: 1, 3, 5-14, 28, 29, 31, 32, 34-41, 43-51, 55, 57, 59-70, 73, 75, 76, 78, 80-84, 88-90, 93, 95, 97, 99, 106, 107, 109-114, 119, 120, 122-129, 141, 158-161, 163-171, 173-189, and 200-206, by him subscribed and knows the contents thereof; that there is no single person employed by or otherwise connected with Kingsport Power Company d/b/a AEP Appalachian Power, who has personal knowledge of all the facts and information requested herein; that said Responses to Discovery Request Nos: 1, 3, 5-14, 28, 29, 31, 32, 34-41, 43-51, 55, 57, 59-70, 73, 75, 76, 78, 80-84, 88-90, 93, 95, 97, 99, 106, 107, 109-114, 119, 120, 122-129, 141, 158-161, 163-171, 173-189, and 200-206, were prepared with the assistance and advice of counsel and the assistance of various employees and representatives of the corporation upon which he has relied; that the Responses to Discovery Request Nos: 1, 3, 5-14, 28, 29, 31, 32, 34-41, 43-51, 55, 57, 59-70, 73, 75, 76, 78, 80-84, 88-90, 93, 95, 97, 99, 106, 107, 109-114, 119, 120, 122-129, 141, 158-161, 163-171, 173-189, and 200-206, set forth herein, subject to inadvertent or undiscovered errors, are based on, and therefore necessarily limited by, the records and information still in existence, presently recollected and thus far discovered in the course of the preparation of these Responses; that the foregoing Responses to Discovery Request Nos: 1, 3, 5-14, 28, 29, 31, 32, 34-41, 43-51, 55, 57, 59-70, 73, 75, 76, 78, 80-84, 88-90, 93, 95, 97, 99, 106, 107, 109-114, 119, 120, 122-129, 141, 158-161, 163-171, 173-189, and 200-206, are thus based upon corporate knowledge and are true and correct to the best of his knowledge and belief; that consequently, Kingsport Power Company d/b/a AEP Appalachian Power reserves the right to make any changes in the Responses if it appears at any time that omissions or errors have been made therein or that more accurate information is available; and that subject to the limitations set forth herein, the said Responses are true to the best of his knowledge, information and belief.

W K Castle

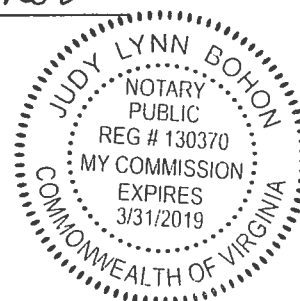
WILLIAM K. CASTLE

Sworn to and subscribed before me, this the 23rd of February, 2016.

Judy Lynn Bohon
Notary Public

My Commission Expires:

March 31, 2019



As to Objections:

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

By: 

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Joseph B. Harvey, Esq. (BPR # 028891)

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Email: jrbacha@aep.com

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and exact copy of the foregoing **PARTIAL RESPONSES OF KINGSPORT POWER COMPANY TO FIRST DISCOVERY REQUEST OF THE CONSUMER PROTECTION AND ADVOCATE DIVISION** has been served upon the following by emailing a true and accurate copy on this the 23rd day of February, 2016:

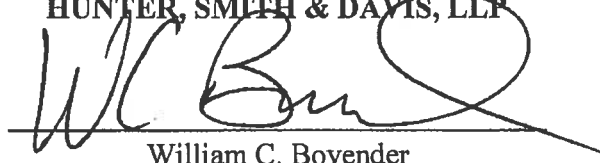
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HUNTER, SMITH & DAVIS, LLP



William C. Bovender

**TENNESSEE REGULATORY AUTHORITY
PETITION OF KINGSFORT POWER COMPANY
DOCKET NO. 16-00001**

**Data Requests and Requests for the Production
of Documents by the
Consumer Protection And Advocate Division (First Set/Part 2)
To Kingsport Power Company**

Data Request CPAD 1-001:

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 CPAD 1-001:

The Company objects to this request on the grounds that it is overly broad, unduly burdensome, and not reasonably calculated to lead to the discovery of admissible evidence. Without waiving its objections, the Company states as follows:

Refer to the Company's response to CPAD 1-110 for the most recent Kingsport FERC Form 1 annual reports that contain, in the Notes to Financial Statements section, a summary of significant accounting policies applicable to KgPCo and/or its affiliated companies.

**TENNESSEE REGULATORY AUTHORITY
PETITION OF KINGSPORT POWER COMPANY
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**Data Requests and Requests for the Production
of Documents by the
Consumer Protection And Advocate Division (First Set/Part 2)
To Kingsport Power Company**

Data Request CPAD 1-003:

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 CPAD 1-003:

Please see the response to Staff Informal 1-24.

**TENNESSEE REGULATORY AUTHORITY
PETITION OF KINGSPORT POWER COMPANY
DOCKET NO. 16-00001**

**Data Requests and Requests for the Production
of Documents by the
Consumer Protection And Advocate Division (First Set/Part 2)
To Kingsport Power Company**

Data Request CPAD 1-005:

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 CPAD 1-005:

Please see CPAD 1-005 Attachments 1-43 for the available monthly trial balances from June 2012 through December 2015.

**TENNESSEE REGULATORY AUTHORITY
PETITION OF KINGSPORT POWER COMPANY
DOCKET NO. 16-00001**

**Data Requests and Requests for the Production
of Documents by the
Consumer Protection And Advocate Division (First Set/Part 2)
To Kingsport Power Company**

Data Request CPAD 1-006:

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 CPAD 1-006:

Please see CPAD 1-6 Attachment 1.pdf for Kingsport Power Company electric plant in service detailed in the 300-series accounts, reported on an annual basis. For the years 2009 through 2014 the information is provided from the Company's filed FERC Form 1 pages 204 through 207 for each year. For year 2015 the information is provided in a similar format, but is not finalized, as the Company's FERC Form 1 for 2015 has not yet been filed. Information on a monthly basis is not readily available, as this information is reported only on an annual basis.

**TENNESSEE REGULATORY AUTHORITY
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**Data Requests and Requests for the Production
of Documents by the
Consumer Protection And Advocate Division (First Set/Part 2)
To Kingsport Power Company**

Data Request CPAD 1-007:

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 CPAD 1-007:

Please see CPAD 1-7 Attachment 1.pdf for Kingsport Power Company distribution leased asset summary data and CPAD 1-7 Attachment 2.pdf for transmission leased asset summary data. Monthly information is not readily available.

**TENNESSEE REGULATORY AUTHORITY
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**Data Requests and Requests for the Production
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Consumer Protection And Advocate Division (First Set/Part 2)
To Kingsport Power Company**

Data Request CPAD 1-008:

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 CPAD 1-008:

The requested information is not available on a state jurisdictional basis. Refer to CPAD 1-008 Attachment 1 for requested data prepared from Kingsport Power Company's FERC Form 1 for the years 2009 through 2014. The majority of the requested information (excluding the KWh by Registrant) may be obtained for AEP and its Registrant Subsidiaries by using AEP's SEC Form 10K's provided in response to Staff Informal 1-017.

**TENNESSEE REGULATORY AUTHORITY
PETITION OF KINGSPORT POWER COMPANY
DOCKET NO. 16-00001**

**Data Requests and Requests for the Production
of Documents by the
Consumer Protection And Advocate Division (First Set/Part 2)
To Kingsport Power Company**

Data Request CPAD 1-009:

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 CPAD 1-009:

a) Monthly weather adjustments to kWh sales for Kingsport were computed by multiplying differences between cooling and heating degree days from their normal levels by corresponding weather coefficients (kWh per degree-day per customer values), adding these two sums together, and multiplying the resulting sum by the corresponding number of customers for the month of interest. This exercise is done independently for the residential and commercial classes. Industrial is not weather sensitive and a weather normalization is not performed on the Industrial class. The customer value used in the above computation is simply one. The general equation for a particular customer class, as stated above, takes the form:

$$\text{Weather Impact}_t = [\beta_{\text{CDD}} \times (\text{CDD}_t - \text{NCDD}_t) + \beta_{\text{HDD}} \times (\text{HDD}_t - \text{NHDD}_t)] \times \text{Customers}_t.$$

β_{CDD} and β_{HDD} are the weather coefficients which are parameter estimates from the regression model for that particular customer class. The regression model is used to produce the company’s monthly short-term forecast of energy sales for that class. CDD_t and NCDD_t are the actual and normal cooling degree days for month t. HDD_t and NHDD_t are the actual and normal heating degree days for month t. Customers_t is the actual customer count for month t for the corresponding customer class (or the value 1 in the case of the other ultimate class).

**TENNESSEE REGULATORY AUTHORITY
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DOCKET NO. 16-00001
Data Requests and Requests for the Production
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To Kingsport Power Company**

Response CPAD 1-009: (continued)

The regression models used to develop the weather coefficients are estimated using monthly billing-cycle weighted cooling and heating degree days, monthly average number of days billed, any binary variables as needed, as well as any ARMA error structure deemed necessary to predict monthly kWh per customer values (or kWh values for the other ultimate class).

The monthly billing-cycle weighted degree days are computed using daily average temperatures measured from the weather station in Bristol, TN (TRI). Each month's degree day value is summed using a simple "triangular" weighting scheme whereby the days of each month and its previous month are given weights that increase linearly throughout the previous month's days and then decrease linearly over the current month's days. These particular weights imply that equal shares of customers are billed in each billing cycle and that the last day of the previous month and the first day of the current month are included in the largest number of customers' bills. The corresponding normal values are computed by taking average daily temperatures of the previous 30 year period and adjusting them for billing cycles in the same manner.

b) Column 1 contains the test year billing determinants. This data was obtained from the Company's revenue system. The Company validated that the billing determinants matched the Company's billing records. The billing determinants are reflected in Staff Informal 1-24-DRB & TAC-Attachment 1-KgPCo Weather Impacts & Billing Determinants" in the section titled "Adjusted Billing Determinants – After Ratio to Billed & Accrued".

Column 2 contains the rates that were in effect during the test year. These rates were input into the workpapers. Since the Company's fuel factor changes monthly, it was not possible to reflect the current fuel rate. Therefore, the fuel factor was calculated by dividing fuel revenue by current billing units.

Column 4 reflects annualized rates which are essentially the same rates as those reflected in Column 2, with the exception of the Purchased Power Adjustment Rider (PPAR). Annualized rates apply the most current test year PPAR rate, which was effective October 10, 2014 to all test year kWh.

Column 6 reflects weather adjustments to billing determinants. Initially, kWh weather adjustments were provided by AEP Economic Forecasting Department. This data, by tariff, is reflected in "Staff Informal 1-24 – DRB & TAC – Attachment 1 – KgPCo Weather Impacts & Billing Determinants" in the section titled "Weather Adjustment".

Column 9 reflects growth adjustments to billing determinants. Growth adjustments reflect the difference between the sections titled "Billing Determinants – Ratioed & Weather Adjusted" and "Test Year Billing Units" shown in Staff Informal 1-24-DRB & TAC – Attachment 1-KgPCo Weather Impacts & Billing Determinants".

**TENNESSEE REGULATORY AUTHORITY
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**Data Requests and Requests for the Production
of Documents by the
Consumer Protection And Advocate Division (First Set/Part 2)
To Kingsport Power Company**

Response CPAD 1-009: (continued)

c) The Company objects to subsection (c) of this request which asks the Company to “Update all tabs in this spreadsheet to include footnotes to the source files.” The Company objects to such request on the grounds that it is unduly burdensome. The Company does not maintain documents with all cells formatted as sought by this request and creating such documents (which do not presently exist) would require countless hours to compile. The Company further objects to this request on the grounds that it seeks information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Subject to and without waiving the foregoing objection, the Company states that sources for the data in the spreadsheet were provided in the testimony and data request responses filed in this case.

**TENNESSEE REGULATORY AUTHORITY
PETITION OF KINGSPORT POWER COMPANY
DOCKET NO. 16-00001**

**Data Requests and Requests for the Production
of Documents by the
Consumer Protection And Advocate Division (First Set/Part 2)
To Kingsport Power Company**

Data Request CPAD 1-010:

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 CPAD 1-010:

a) Please refer to the direct testimony of Company Witness Buck, page 8, lines 18 through 23.

b) Please refer to CPAD 1-009 b.

c) The Company objects to subsection (c) of this request which asks the Company to “Update all tabs in this spreadsheet to include footnotes to the source files.” The Company objects to such request on the grounds that it is unduly burdensome. The Company does not maintain documents with all cells formatted as sought by this request and creating such documents (which do not presently exist) would require countless hours to compile. The Company further objects to this request on the grounds that it seeks information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Subject to and without waiving the foregoing objection, the Company states that sources for the data in the spreadsheet were provided in the testimony and data request responses filed in this case.

**TENNESSEE REGULATORY AUTHORITY
PETITION OF KINGSPORT POWER COMPANY
DOCKET NO. 16-00001**

**Data Requests and Requests for the Production
of Documents by the
Consumer Protection And Advocate Division (First Set/Part 2)
To Kingsport Power Company**

Data Request CPAD 1-011:

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 CPAD 1-011:

- a) Please refer to the direct testimony of Company Witness Buck, page 9, lines 7 through 11.
- b) Please refer to CPAD 1-009 b.
- c) The Company objects to subsection (c) of this request which asks the Company to “Update all tabs in this spreadsheet to include footnotes to the source files.” The Company objects to such request on the grounds that it is unduly burdensome. The Company does not maintain documents with all cells formatted as sought by this request and creating such documents (which do not presently exist) would require countless hours to compile. The Company further objects to this request on the grounds that it seeks information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.
Subject to and without waiving the foregoing objection, the Company states that sources for the data in the spreadsheet were provided in the testimony and data request responses filed in this case.

**TENNESSEE REGULATORY AUTHORITY
PETITION OF KINGSPORT POWER COMPANY
DOCKET NO. 16-00001**

**Data Requests and Requests for the Production
of Documents by the
Consumer Protection And Advocate Division (First Set/Part 2)
To Kingsport Power Company**

Data Request CPAD 1-012:

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 CPAD 1-012:

- a) Please refer to the direct testimony of Company Witness Buck, page 9, lines 17 through 21.
- b) Please refer to CPAD 1-009 b.
- c) The Company objects to subsection (c) of this request which asks the Company to “Update all tabs in this spreadsheet to include footnotes to the source files.” The Company objects to such request on the grounds that it is unduly burdensome. The Company does not maintain documents with all cells formatted as sought by this request and creating such documents (which do not presently exist) would require countless hours to compile. The Company further objects to this request on the grounds that it seeks information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.
Subject to and without waiving the foregoing objection, the Company states that sources for the data in the spreadsheet were provided in the testimony and data request responses filed in this case.

**TENNESSEE REGULATORY AUTHORITY
PETITION OF KINGSPORT POWER COMPANY
DOCKET NO. 16-00001**

**Data Requests and Requests for the Production
of Documents by the
Consumer Protection And Advocate Division (First Set/Part 2)
To Kingsport Power Company**

Data Request CPAD 1-013:

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 CPAD 1-013:

a) The Company collects load research data in two ways – through interval metering on all large customers and through interval metering on statistically valid samples of smaller customers. The meters store the interval data; and an interval data processing system remotely retrieves the data from the meters. This approach is a well-established industry-wide methodology of preparing load research data. The load shapes and statistics from the load research data are then scaled to match the total metered usage information for the test year and adjusted for losses to determine the inputs for demand and energy allocation factors used in the Company’s cost-of-service studies.

b) Please refer to CPAD 1-013, Attachment 1 through Attachment 13.

c) The data collection process is described in CPAD-1-013, part a.

d & e) The Company objects to subsections (d) and (e) of this request which ask the Company to “Update the load research file to include footnotes to the source files.” and “Update the load research file to include footnotes to the destination files...” The Company objects to such requests on the grounds that they are unduly burdensome. The Company does not maintain documents with all cells formatted as sought by this request and creating such documents (which do not presently exist) would require countless hours to compile. The Company further objects to these requests on the grounds that they seek information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Subject to and without waiving the foregoing objections, the Company states that source and destination for the data in the spreadsheets is described in the data collection process described in CPAD 1-013, part a.

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Data Request CPAD 1-014:

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 CPAD 1-014:

a) The first tab labeled ‘Weather’ contains the monthly weather kWh impacts by revenue class for the test year. The 2nd tab labeled ‘Unadj kWh by rate’ contains the actual kWh by rate code for the test year (this is the data before we adjusted for weather). The 3rd tab labeled ‘Weather by Rate’ is the summary allocation of the weather kWh impacts by rate code. The 4th tab labeled ‘Weather Adj kWh’ contains the weather adjusted billing determinants for the test year. The formulas in this tab take the original actuals from ‘Unadj kWh by rate’ and incorporate the weather impacts from the ‘Weather by rate’ spreadsheet to arrive at the weather adjusted kWh for the test year.

The three supporting tabs contain the back-up calculations that were used to allocate our revenue class level weather impacts to the specific rate codes. The tab labeled ‘Unadj by revcls rate’ contains the actual billing cycle kWh by revenue class and rate code. The tab labeled ‘Weather allocators’ computes the allocators that are used to spread the revenue class level weather impacts to the respective rate codes. The tab labeled ‘Weather by class rate’ contains the actual weather kWh impacts by revenue class and rate code.

b) See response to CPAD 1-9 for an narrative explanation of the weather normalization process. The attachment labeled CPAD 1-14 Weather Impact Calculations on the attached CD contains all of the source data that is used to develop the kWh weather impacts.

c & d) The Company objects to subsections (c) and (d) of this request which ask the Company to “Update the Weather Impact & Billing Determinants file to include footnotes to the source files.” and “Update the Weather Impact & Billing Determinants file to include footnotes to the destination files...” The Company objects to such requests on the grounds that they are unduly burdensome. The Company does not maintain documents with all cells formatted as sought by

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Response CPAD 1-014: (continued)

this request and creating such documents (which do not presently exist) would require countless hours to compile. The Company further objects to these requests on the grounds that they seek information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Subject to and without waiving the foregoing objections, the Company states that source and destination for the data in the spreadsheets is described in response to DPAD 1-14 part b.

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Data Request CPAD 1-028:

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 CPAD 1-028:

Please see the Company's response to CPAD 1-6 for the readily available information.

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Data Request CPAD 1-029:

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 CPAD 1-029:

Refer to the Company's response to CPAD 1-006 for readily available information.

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Data Request CPAD 1-031:

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 CPAD 1-031:

Please refer to the direct testimony of Witness Cash, KgPCo Exhibit No. 1 (JAC), page 16 of 17 (Schedule II of the Depreciation Study Report), for the current and proposed depreciation rates for each account included on the "Pivot" tab of "Staff Informal 1-24 – DRB Attachment 5 – JCOS – EPIS 1010001 & 10600019".

For the Intangible Plant accounts 30200 and 30300, a depreciation rate of 20% is applied. Land and Land Rights accounts 35000, 35010, 36000, 36010, and 38900 are not depreciated.

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Data Request CPAD 1-032:

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 CPAD 1-032:

Please see CPAD 1-32 Attachment 1.xlsx for Kingsport Power Company annual accumulated depreciation by subaccount for the period 2009 through 2015. Monthly information is not readily available.

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Data Request CPAD 1-034:

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 CPAD 1-034:

Refer to the Company's response to Staff Informal 1-24 AWA Attachment 16 for workpapers for Adjustment EP-38. See also CPAD 1-034, Attachment 1, on the enclosed CD for project categories related to the 2015 and 2016 forecasted capital additions used to prepare Adjustment EP-38.

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Data Request CPAD 1-035:

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 CPAD 1-035:

Refer to the Company's response to Staff Informal 1-24 AWA Attachment 13 for workpapers for Adjustment AD-39.

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Data Request CPAD 1-036:

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 CPAD 1-036:

Refer to the Company's response to Staff Informal 1-24 AWA Attachment 14 for workpapers for Adjustment AD-40.

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Data Request CPAD 1-037:

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 CPAD 1-037:

Refer to the Company's response to Staff Informal 1-24 AWA Attachment 17 for workpapers for Adjustment AD-41.

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Data Request CPAD 1-038:

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 CPAD 1-038:

Please see response to CPAD 1-005 for Materials & Supplies balances recorded in FERC accounts 154 and 163.

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Data Request CPAD 1-039:

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 CPAD 1-039:

Please see response to CPAD 1-5 using subaccounts 1650010, 1650035 and 1650036, which includes descriptions.

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Data Request CPAD 1-040:

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 CPAD 1-040:

Please see response to CPAD 1-5 using subaccounts 1650001 and 1650021 which include descriptions.

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Data Request CPAD 1-041:

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 CPAD 1-041:

Please see response to CPAD 1-5 using subaccounts 1650213, 1650214 and 1650215 which include descriptions.

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Data Request CPAD 1-043:

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 CPAD 1-043:

Please see response to CPAD 1-005 for customer deposit balances in Account 235.

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Data Request CPAD 1-044:

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 CPAD 1-044:

See the Response to CPAD 1-59 and CPAD 1-59 Attachment 1 for the information requested as of 12/31/2012, 12/31/2013, 12/31/2014 and 12/31/2015. The monthly information requested is voluminous. It is contained in the PowerPlan Tax Provision System and can be made available at a mutually agreed upon time in Columbus, Ohio.

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Data Request CPAD 1-045:

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 CPAD 1-045:

See the Response to CPAD 1-59 and CPAD 1-59 Attachment 1 for the information requested as of 12/31/2012, 12/31/2013, 12/31/2014 and 12/31/2015. The monthly information requested is voluminous. It is contained in the PowerPlan Tax Provision System and can be made available at a mutually agreed upon time in Columbus, Ohio.

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Data Request CPAD 1-046:

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 CPAD 1-046:

See CPAD 1-46 Attachment 1.

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Data Request CPAD 1-047:

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 CPAD 1-047:

Kingsport is expected to issue a \$20 million affiliated note. Current indicative rates are 3.35% which would lead to a cost of long-term debt similar to that included in the requested capital structure. AEP Inc. is expected to have year-end 2016 long-term debt cost rates similar to year-end 2015. AEP Consolidated does not have projected long-term debt cost rates for year-end 2016 available. Bloomberg's Economist Forecast shows short-term rates rising by approximately 0.45% by year-end 2016, which will likely have a similar impact on AEP and Kingsport's short-term borrowing rates.

Please see CPAD 1-47 Attachment 1 for the projected capital structure.

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Data Request CPAD 1-048:

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 CPAD 1-048:

AEP owned 100% of Kingsport Power Company during that period and, as a consequence, Kingsport has not received any financing from sources other than AEP.

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Data Request CPAD 1-049:

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 CPAD 1-049:

KgPCo is wholly owned by AEP and does not have a share price. Dividends since January 1, 2011 for KgPCo include:

Feb 2011: \$250,000 (\$0.61/share)
May 2011: \$250,000 (\$0.61/share)
Aug 2011: \$250,000 (\$0.61/share)
Nov 2011: \$250,000 (\$0.61/share)
Feb 2012: \$500,000 (\$1.22/share)
May 2012: \$500,000 (\$1.22/share)
Aug 2012: \$500,000 (\$1.22/share)
Nov 2012: \$500,000 (\$1.22/share)
Feb 2013: \$500,000 (\$1.22/share)
May 2013: \$500,000 (\$1.22/share)
Aug 2013: \$500,000 (\$1.22/share)
Nov 2013: \$500,000 (\$1.22/share)
Feb 2014: \$125,000 (\$0.305/share)
May 2014: \$125,000 (\$0.305/share)
Aug 2014: \$25,000 (\$0.061/share)
Nov 2014: \$25,000 (\$0.061/share)
Feb 2015: \$25,000 (\$0.061/share)
May 2015: \$25,000 (\$0.061/share)
Aug 2015: \$25,000 (\$0.061/share)
Nov 2015: \$25,000 (\$0.061/share)

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Data Request CPAD 1-050:

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 CPAD 1-050:

a) Dividends are paid on the 10th calendar day of March, June, September and December. If the 10th falls on a weekend or holiday, dividends are paid on the preceding business day (typically the preceding Friday).

b) Dividend amounts, by quarter, can be found on the AEP website at the following location:
<http://www.aep.com/investors/StockHistoryAndDividends/quarterly-dividends.aspx>

	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.
2015	0.530	0.530	0.530	0.560
2014	0.500	0.500	0.500	0.530
2013	0.470	0.490	0.490	0.500
2012	0.470	0.470	0.470	0.470
2011	0.460	0.460	0.460	0.470

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Response CPAD 1-050: (continued)

c) Share prices for AEP Stock can be found on the AEP website at the following location:
<http://www.aep.com/investors/StockHistoryAndDividends/StockPriceLookByDate.aspx>

<u>Date</u>	<u>Share Price (\$)</u>
3/10/11	35.75
6/10/11	37.13
9/9/11	36.80
12/9/11	39.73
3/9/12	38.21
6/8/12	39.72
9/10/12	43.39
12/10/12	43.38
3/8/13	47.49
6/10/13	45.91
9/10/13	42.89
12/10/13	46.16
3/10/14	49.21
6/10/14	53.46
9/10/14	52.99
12/10/14	58.23
3/10/15	55.26
6/10/15	53.89
9/10/15	53.39
12/10/15	54.88

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Data Request CPAD 1-051:

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 CPAD 1-051:

KgPCo has not issued any new shares of common stock since January 1, 2005. AEP has issued new shares only once since January 1, 2005. On April 1, 2009, AEP announced an equity issuance that involved 69,000,000 new shares at a price of \$24.50 per share for a gross issuance amount of \$1,690,500,000 and a net issuance amount of \$1,639,785,000. These shares were issued to the public.

In addition to this, AEP has a Dividend Reinvestment Plan (DRIP) that issues shares at various prices, on various dates, over the course of the year. Since 2005, AEP has raised amounts of equity ranging from \$70 million to \$150 million each year. These transactions are done without receiving cash for new shares and are done in lieu of paying cash dividends to external shareholders who opt into the program.

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Data Request CPAD 1-055:

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 CPAD 1-055:

Please see CPAD 1-055 Attachment 1.pdf for the most recent cost allocation manual.

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Data Request CPAD 1-057:

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

CATEGORY: Operating Expenses.

Response CPAD 1-057:

Please see CPAD 1-057 Attachment 1.pdf for budget variance reports for 2012 to Jan 2016.

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Data Request CPAD 1-059:

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 CPAD 1-059:

Please see attachment CPAD 1-59 Attachment 1 for a detailed itemization of each item of ADIT as of the requested dates. Information for 2016 is not yet available.

ADFIT balances change from year-to-year based on the annual Schedule M adjustments that are made in the Federal income tax returns. Information regarding when amounts were included in book and in tax returns is not tracked and is not readily available. All ADIT with the exception of SFAS 109 ADIT was included in the Rate Base. See KgPCo Exhibit No. 2-a (DRB), page 4 of 10 included in the filed testimony of Company witness Buck, for the Total ADIT balance as of December 31, 2014 that was included in Rate Base.

The Company is not aware of any ADIT balances that will not reverse in the future.

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**Data Requests and Requests for the Production
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Consumer Protection And Advocate Division (First Set/Part 2)
To Kingsport Power Company**

Data Request CPAD 1-060:

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 CPAD 1-060:

a. See CPAD 1-060, Attachment 1, for the number of actual employees broken down by type, for 2012 through 2015.

b. Not applicable, see response to part a above for actual employee data.

c.-f. See CPAD 1-060, Attachment 2, for regular payroll, overtime payroll and other payroll data for 2012 through 2015. Temporary payroll is not broken-out separately and is included with the corresponding payroll values.

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To Kingsport Power Company**

Data Request CPAD 1-061:

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 CPAD 1-061:

The Company objects to CPAD 1-061 (c) on the ground that it is not reasonably calculated to lead to the discovery of admissible evidence. Without waiving its objection, the Company states as follows:

(a) and (b): Please see CPAD 1-061 Attachment 1 for the number of employees for 2012 through January 2016.

(c) The number of employees of other non Service Corp affiliates that charge costs or allocate time to KgPCo is not readily available.

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Data Request CPAD 1-062:

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 CPAD 1-062:

Please see CPAD 1-062 Attachment 1 for 2012 through 2015 wage increases by date and employee category.

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Data Request CPAD 1-063:

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 CPAD 1-063:

The Company's labor calculations are based on actual payroll as calculated for the FERC Form 1, pages 354/355. Unfilled positions were not included in the calculations.

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Data Request CPAD 1-064:

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 CPAD 1-064:

The amount of incentive compensation earned by each salaried employee is included as a portion of their overall salary and thereby reflects each jobs' responsibilities and employee performance. This variable portion of employee pay is based, in part, on achievement of incentive plan goals, management's assessment of each individual employee's job performance relative to the expectations for their position as well as to the performance of other employees in their position and in positions at the same salary grade level. Research results show that similar incentive structures bolster the development of employee engagement and can help develop a high performance company culture which is a benefit to customers. Refer to the response to CPAD 1-058 for employee incentive plans.

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Data Request CPAD 1-065:

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 CPAD 1-065:

See CPAD 1-65 Attachment 1 and CPAD 1-65 Attachment 2 for the requested payroll tax returns.

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Data Request CPAD 1-066:

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 CPAD 1-066:

The Company does not make a determination that particular incentive compensation goals are achieved as a result of the employee incentive compensation plan, as such determination would be impractical and not useful. Incentive compensation is universally used in the industry, and its benefits have been studied and reported by academics and experts. The Company cannot conduct such studies for many reasons, including it would be expensive, far removed from the Company's mission and outside the Company's bailiwick. Additionally, it would be redundant and unproductive because studies have been conducted elsewhere and the extent of the benefits of incentive compensation is apparent from the nearly universal utilization of it by utility and general industry companies.

Additionally, employee incentive compensation is included in the Companies' market competitive compensation as a portion of employee total pay and not over and above a reasonable market-based salary.

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**Data Requests and Requests for the Production
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To Kingsport Power Company**

Data Request CPAD 1-067:

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

CATEGORY: Operating Expenses.

Response CPAD 1-067:

The Company maintains a pay for performance employee total compensation approach. A merit pay program is used that differentiates employee salary increases based on management's assessment of each employee's job performance relative to the Company's expectations for their position and the performance of other employees in their department. Managers are expected to differentiate merit increases for salaried employees to reflect differences in employee job performance. Job performance is periodically evaluated using formal performance assessments, informal performance coaching and other performance comparisons. Employee performance is measured relative to the Company's and the manager's expectations for a fully competent performer in each position. The length of time an employee has been in a position may enable employees to perform better in their position but is not, in and of itself, a measure of performance. Management determines merit increases for each salaried employee in their purview based on these assessments.

The Company targets average salaries to the midpoint of the assigned salary range for each job, although budget constraints and economic conditions are also considered and may result in salaries falling short of this target. The Company grades benchmark jobs to provide market median compensation that attracts and retains employees with the skills and experience needed to efficiently, effectively and safely serve its customers.

The Company also annually negotiates a general wage increase for its hourly employees with the labor unions that represent these employees based on the cost of labor for these types of positions. In the past, the same percentage increase has been provided to unrepresented hourly employees. The Company does not provide cost of living adjustments.

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**Data Requests and Requests for the Production
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To Kingsport Power Company**

Data Request CPAD 1-068:

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 CPAD 1-068:

The Company objects to this request on the grounds the request is overly broad and unduly burdensome to the extent it seeks "all" documents. The Company further objects to the extent this question seeks information that is confidential and proprietary. In support of this objection, the Company states that the requested information contains information which is proprietary and confidential to the authors and the Company has no authority to disclose the protected work product or proprietary information of third parties. Disclosure of the requested information would be useful to current and potential competitors of the Company and, if this confidential information could come into the possession of current or prospective competitors, such disclosure may have a substantial and detrimental effect.

Without waiving the above objections, the Company states it will make these documents available for review at its AEP 1 Riverside Plaza, Columbus, OH 43215 location.

Please see CPAD 1-068 Attachment 1 for a listing of test year compensation studies and CPAD 1-068 Attachment 2 for attrition year compensation studies.

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Data Request CPAD 1-069:

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 CPAD 1-069:

Please see response to CPAD 1-068.

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**Data Requests and Requests for the Production
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Data Request CPAD 1-070:

(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 CPAD 1-070:

a. No, the Company did not anticipate a reduction in employees for 2015.

b. No, the Company does not anticipate reducing the number of employees during the next three years.

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**Data Requests and Requests for the Production
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Data Request CPAD 1-073:

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 CPAD 1-073:

For the KgPCo officer compensation, please see CPAD 1-073 Attachment 1, CPAD 1-073 Attachment 2, and CPAD 1-073 Attachment 3 on the enclosed Confidential CD for the years 2013, 2014, and 2015, respectively. Please note that the amounts for 2015 do not include the non-equity incentive plan compensation or pension and non-qualified deferred compensation because they are not yet available.

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Data Request CPAD 1-075:

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 CPAD 1-075:

Please see response to CPAD 1-074.

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Data Request CPAD 1-076:

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 CPAD 1-076:

Please see response to CPAD 1-005 using subaccounts of FERC Account 926. Subaccounts 9260050, 9260051, 9260052 and 9260053 are the amounts transferred from being expensed to capital and other accounts. Subaccount 9260055 are the amounts billed to other affiliates so that labor charges billed include the cost of benefits.

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Data Request CPAD 1-078:

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 CPAD 1-078:

See CPAD 1-078, Attachments 1-4, on the enclosed CD for the 2013 and 2014 pension plan and post-retirement benefits actuarial studies, respectively. Refer to the Company's response to Staff Informal 1-043 for the 2015 pension plan and post-retirement benefits actuarial studies.

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Data Request CPAD 1-080:

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 CPAD 1-080:

See the Company's response to Staff Informal 1-24 AWA Attachment 6 for the workpapers related to Adjustment OM-21 that shows the requested (or expected) pension expense of \$159,434 in Account 926. Refer to KgPCo Exhibit No. 2-a (DRB), Page 4 of 10, attached to the direct testimony of Company witness Buck for the requested payroll-related prepayments in rate base of \$4,624,527 that include \$4,356,003 for prepaid pension benefits (\$4,922,326 recorded in Account 1650010 for 2014 multiplied by .8849482 payroll labor jurisdictional (distribution) allocation factor).

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Data Request CPAD 1-081:

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 CPAD 1-081:

See the Company's response to Staff Informal 1-24 AWA Attachment 5 for the workpapers related to Adjustment OM-20 that shows the requested (or expected) OPEB expense of (\$128,549) in Account 926. Refer to KgPCo Exhibit No. 2-a (DRB), Page 4 of 10, attached to the direct testimony of Company witness Buck for the requested payroll-related prepayments in rate base of \$4,624,527 that include \$268,524 for prepaid FAS 106 post retirement welfare (PRW) trust benefits (\$303,435 recorded net in Accounts 1650035 & 1650036 for 2014 multiplied by .8849482 payroll labor jurisdictional (distribution) allocation factor).

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Data Request CPAD 1-082:

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 CPAD 1-082:

There have not been any gains or losses on utility property sold by Kingsport Power Company for the period 2012 through 2016 to date.

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Data Request CPAD 1-083:

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 CPAD 1-083:

Kingsport Power Company did not pay any penalties and fines to any governmental or nongovernmental entity that are included in the cost of service.

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Data Request CPAD 1-084:

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 CPAD 1-084:

See the Company's response to Staff Informal 1-48.

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Data Request CPAD 1-088:

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 CPAD 1-088:

As indicated in the Company's response to Staff Informal 1-048, there are no lobbying expenses included in the Company's cost of service.

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**Data Requests and Requests for the Production
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Data Request CPAD 1-089:

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 CPAD 1-089:

KGPCo paid no employee relocation expenses in the years 2011 through 2014.

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Data Request CPAD 1-090:

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

CATEGORY: Operating Expenses.

Response CPAD 1-090:

Please see CPAD 1-090 Attachment 1.

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Data Request CPAD 1-093:

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 CPAD 1-093:

AEP nor KgPCo have a copy of the NARUC audit report. A NARUC audit report of EEI will need to be requested directly from NARUC. KgPCo made no direct payments to EEI during 2014. See CPAD 1-92 Attachment 1.xlsx for a list of EEI invoices and the portion charged to KgPCo during 2014. All EEI payments were made to Edison Electric Institute.

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Data Request CPAD 1-095:

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 CPAD 1-095:

See CPAD 1-95 Attachment 1 for a copy of the Company's policy on personal use of Company vehicles. The table below provides the related cost for the test year.

2014	
Month	Cost
January	\$135.00
February	\$144.00
March	\$154.50
April	\$142.50
May	\$121.50
June	\$138.00
July	\$102.00
August	\$139.50
September	\$132.00
October	\$127.50
November	\$112.50
December	\$144.00

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**Data Requests and Requests for the Production
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Data Request CPAD 1-097:

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 CPAD 1-097:

See CPAD 1-97, Attachment 1, for a list of Kingsport's Sales Expenses, which were recorded in FERC Account 912 for the test year.

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Data Request CPAD 1-099:

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 CPAD 1-099:

Please see the attached table which provides the Company rate case expense incurred for the current rate case broken down by payee and type of activity. As the Company's last rate case was settled in 1992, the actual information from the last rate case in 1992 is not readily available and would be of little value for comparison purposes.

		TRA Docket 15-00093
		TRA Docket 16-00001
		Period ended 1/2016
Public Notice		\$ -
Company Expense & travel		\$ 774,546.97
External Attorney Expense		\$ 61,197.12
Postage and Printing		\$ 124.61
Outside Witness		\$ 3,480.63
Total:		\$ 839,349.33

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**Data Requests and Requests for the Production
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Data Request CPAD 1-106:

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 CPAD 1-106:

See CPAD 1-106 Attachment 1.

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Data Request CPAD 1-107:

Please provide for the Company the most recent actual property tax assessments and rates.
CATEGORY: Operating Expenses.

Response CPAD 1-107:

See CPAD 1-107 Attachment 1.

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Data Request CPAD 1-109:

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 CPAD 1-109:

The Company objects to this request to the extent it purports to impose on the Company any obligations greater than, or in addition to, its obligations under the Tennessee Rules of Civil Procedure. Subject to and without waiving the foregoing objection, the Company states that it will comply with its obligations under the applicable rules of civil procedure to reasonably amend a prior response if the Company obtains information upon the basis of which the Company knows that the response was incorrect when made, or knows that the response, though correct when made, is no longer true.

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Data Request CPAD 1-110:

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 CPAD 1-110:

See CPAD 1-110, Attachments 1 and 2, on the attached CD for the 2014 and 2013 Kingsport FERC Form 1 reports, respectively.

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Data Request CPAD 1-111:

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 CPAD 1-111:

See CPAD 1-111, Attachment 1, for the Company's injuries and damages expense recorded each year by account from 2012 through 2015.

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To Kingsport Power Company**

Data Request CPAD 1-112:

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 CPAD 1-112:

See CPAD 1-112 Attachment 1 for the requested information.

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Data Request CPAD 1-113:

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 CPAD 1-113:

There were not any non-rate case legal expenses items over \$20,000 paid or accrued by KGPCo during the test year.

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Data Request CPAD 1-114:

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 CPAD 1-114:

Refer to the testimony of Company witness Allen for discussion of going-level Adjustments OM-9 and DE-29, which explain the reclassification recorded in December 2014 that capitalized certain AEPSC billings to Kingsport for software costs instead of expensing such costs. This reclassification resulted in the recording of non-recurring net credits to expense during the test year.

Adjustment OM-9 increases distribution expense to remove the prior period credits to expense related to this reclassification. Adjustment DE-29 decreases depreciation and amortization expenses to remove the prior period amortization expense associated with this reclassification. See also the Company's responses to CPAD 1-30 and Staff Informal 1-24 AWA Attachment 2 for the related journal entry and workpapers.

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Data Request CPAD 1-119:

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 CPAD 1-119:

Please see response to CPAD 1-058.

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Data Request CPAD 1-120:

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 CPAD 1-120:

a. Please see CPAD 1-120 Attachment 1.xls for the amount, by FERC account, of stock based compensation charged to Kingsport by AEPSC during the test year. The stock based compensation directly charged by KgPCo during the test year and included in the cost of service by FERC account is:

<u>FERC</u>	<u>Amount</u>
1070	2,699
1080	144
1850	16
1860	131
5800	51
5830	129
5840	6
5860	232
5870	81
5880	615
5900	24
5930	1,333
5940	169
5950	243
5960	1
5980	367
9020	314
9030	408
9080	92
9081	98
Total	<u>7,153</u>

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Response CPAD 1-120: (continued)

- b. Please see response to CPAD 1-058.
- c. Please see response to CPAD 1-058.
- d. Please see the response to part a.

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Data Request CPAD 1-122:

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 CPAD 1-122:

Please see CPAD 1-122 Attachment 1.pdf for listing of allocation factors used by AEPSC as of 12/31/2013, 12/31/2014, and 6/30/2015.

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Data Request CPAD 1-123:

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 CPAD 1-123:

Attached is a copy of the most recent internal audit report covering AEP Service Company billing to subsidiaries.

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Data Request CPAD 1-124:

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 CPAD 1-124:

Refer to CPAD 1-124 Attachment 1 for the AEPSC cost of service billings to Kingsport by service performed, allocation type (direct/allocated), and allocation factor for 2014 and 2015.

Company Adjustments OM-9 and DE-29 removed the prior period portions of a test year reclassification that capitalized AEPSC billings to KgPCo for software costs instead of expensing such costs when billed.

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Data Request CPAD 1-125:

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 CPAD 1-125:

CPAD 1-125 Attachments 1 through 8 are the financial reports for the American Electric Power Service Corporation for 2013 and 2014.

CPAD 1-125 Attachment 9 is the American Electric Power Service Corporation trial balance as of December 31, 2015.

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Data Request CPAD 1-126:

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 CPAD 1-126:

No.

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Data Request CPAD 1-127:

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 CPAD 1-127:

The Company had no FIN 48 issues related to the 2013, 2014 or 2015 years. During 2014 the Company reversed \$1,961 related to pre 2013 years due to the expiration of the statute of limitations. At 12-31-2015 the Company has no FIN 48 provisions recorded on its books.

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Data Request CPAD 1-128:

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.
- (a) 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 CPAD 1-128:

- a) With the enactment of bonus depreciation for 2015, the Company will be claiming bonus depreciation for its 2015 eligible additions.
- b) See CPAD 1-128 Attachment 1.
- c) See CPAD 1-128 Attachment 1.
- d) Yes.
- e) Yes.
- f) If bonus depreciation is claimed for eligible 2015 additions, it would result in a deferred tax liability associated with those assets. This would result in a reduction to rate base assuming those same assets are included in rate base and there is not a normalization violation under section 168(f)(2) of the Internal Revenue Code.
- g) This information is contained in the Company's PowerPlant Tax Depreciation System and the Company does not have this information in Excel format as requested.

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Data Request CPAD 1-129:

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 CPAD 1-129:

Kingsport Power did not elect out of the bonus depreciation for 2011 through 2014.

- a) Under section 172(b) (1) (A) (i) and (ii) a net operating loss can be carried back 2 years and forward 20 years.
- b) Kingsport Power has consistently elected the bonus depreciation deduction. Analysis comparing the projected results have not been prepared.
- c) See h)

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Response CPAD 1-129: (continued)

- d) Current Federal Income Tax Expense - Per Books Adjusted (\$1,670,847)
Current Federal Income Tax Expense - Proforma \$2,294,838
- e) 12-31-2011 (1,501,583); 12-31-2012 (1,501,583); 12-31-2013 (999,809); 12-31-2014 None;
9-30-2015 None
- f) Kingsport Power's 12-31-2014 NOL and YTD 6-30-2015 NOL were fully utilized through
AEP Sister Company offsets resulting in no unutilized NOL's.
- g) 12-31-2011 (338,317,496); 12-31-2012 (936,510,955); 12-31-2013 (823,457,603); 12-31-
2014 None; 6-30-2015 None
- h) See CPAD 1-129 Attachment 1.
- i) See Response to Staff Informal 1-24 AWA Attachment 1.

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Data Request CPAD 1-141:

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 CPAD 1-141:

The Company does not budget tree-trimming miles. Tree trimming mileage accomplished in a given year depends upon the tasks undertaken because the volume and type of vegetation management work required in each mile of right-of-way is not consistent. Each year, and often within a given year, analyses of circuit performance data allow the foresters to target vegetation management to those locations most in need. Historical records and circuit patrols identify vegetative conditions conducive to various control methods, like foliar herbicide applications, that need to occur within certain windows of opportunity. Real time information from district personnel, customers, work planners, etc. is also used to direct limited resources to those locations most in need of management.

The actual number of distribution miles trimmed during 2009 through 2015 are below:

Kingsport Distribution Tree Trimming Mileage 2009-2015	
Year	Miles Completed
2009	32.7
2010	49.3
2011	67.5
2012	22.9
2013	71.3
2014	66.1
2015	93.4

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Response CPAD 1-141: (continued)

While the TRS does not address transmission circuits, the actual number of transmission miles trimmed during 2009 through 2015 are below:

Kingsport Transmission Tree Trimming Mileage 2009-2015	
Year	Miles Completed
2009	0
2010	0
2011	8
2012	7
2013	2
2014	9
2015	2

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Data Request CPAD 1-158:

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 CPAD 1-158:

If proposed Tariff N.M.S. 2 is adopted, the Company does not expect that to impact the number of existing customers taking service under Tariff N.M.S. The Company does not have an estimate for the number of customers that will elect to take service under Tariff N.M.S-2.

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Data Request CPAD 1-159:

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 CPAD 1-159:

- a. The Company objects to this subsection to the extent this request seeks our customers' personal and confidential information that is not reasonably calculated to lead to the discovery of admissible evidence. Copies of individual monthly bills contain our customers' confidential information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.
- b. The Company is not proposing to migrate customers currently taking service under Tariff N.M.S. to Tariff N.M.S-2, and has not performed those calculations.

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Data Request CPAD 1-160:

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 CPAD 1-160:

It will be measured with a demand meter as stated in Castle direct testimony page 5 line 22 through page 6, line 1.

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Data Request CPAD 1-161:

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 CPAD 1-161:

The Company is not proposing to only provide a credit for the variable cost of production; it is only the energy component of the customer's bill which will be charged or credited at the variable cost (see Castle Direct page 6, line 2-3). Under the proposed Tariff N.M.S.-2, a customer-generator will realize value for both energy and demand reductions at the full retail tariff rate, which is also their fully delivered costs. If the customer-generator reduces his observed monthly peak, his demand cost is less. Conversely, under a tariff that only has an energy rate to collect both demand and energy costs, energy reductions result in both demand and energy cost savings, regardless of whether demand is reduced or not. Unlike the Company's proposal, the energy-only rate approach does not accurately credit customer-generators for the energy and demand reductions they effect.

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Data Request CPAD 1-163:

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 CPAD 1-163:

See CPAD 163 Attachment 1.

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Data Request CPAD 1-164:

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 CPAD 1-164:

See CPAD-163, Attachment 1.

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Data Request CPAD 1-165:

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 CPAD 1-165:

Kingsport Power Company Monthly Peak Internal Demand (MW)		
Year	Month	Demand
2013	1	381.8
2013	2	381.1
2013	3	376.6
2013	4	298.8
2013	5	297.7
2013	6	303.8
2013	7	332.4
2013	8	313.9
2013	9	315.6
2013	10	306.8
2013	11	369.5
2013	12	376.9
2014	1	528.2
2014	2	383.5
2014	3	379.3
2014	4	307.2
2014	5	295.1
2014	6	323.4
2014	7	328.1
2014	8	330.3
2014	9	324.1
2014	10	271.7
2014	11	413.9
2014	12	380.8
2015	1	499.5
2015	2	546.1
2015	3	429.8
2015	4	272.5
2015	5	301.7
2015	6	321.6
2015	7	330.3
2015	8	326.9
2015	9	317.8
2015	10	274.1
2015	11	336.5
2015	12	339.0

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Data Request CPAD 1-166:

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 CPAD 1-166:

The Company does not record the amount of kWh generated by net metering customers that is not in excess of the energy they consume. KgPCo does not purchase energy from net metering customers. KgPCo only "credits" Tariff N.M.S. customers for generation in excess of their consumption. See "Monthly Charges" section of KgPCo Exhibit No. 4 (TAC) page 34 of 57.

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Data Request CPAD 1-167:

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 CPAD 1-167:

KgPCo does not purchase electricity generated by net metering customers. KgPCo credits Tariff N.M.S. customers for generation in excess of their consumption. See the "Monthly Charges" section of Tariff N.M.S. included as KgPCo Exhibit No. 4 (TAC) page 34 of 57

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Data Request CPAD 1-168:

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 CPAD 1-168:

See KgPCo Exhibit No. 4 (TAC) page 34 of 57, "MONTHLY CHARGES" section for Tariff N.M.S.

See KgPCo Exhibit No. 4 (TAC) page 39 of 57, "MONTHLY CHARGES" section for Proposed Tariff N.M.S.-2.

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Data Request CPAD 1-169:

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 CPAD 1-169:

See KgPCo Exhibit No. 4 (TAC) page 34 of 57, "MONTHLY CHARGES" section for Tariff N.M.S.

See KgPCo Exhibit No. 4 (TAC) page 39 of 57, "MONTHLY CHARGES" section for Proposed Tariff N.M.S.-2.

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Data Request CPAD 1-170:

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 CPAD 1-170:

See CPAD 1-170 Attachment 1 for the avoided fuel cost paid to Appalachian Power Company.

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Data Request CPAD 1-171:

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 CPAD 1-171:

See CPAD 1-17 Attachment 1.

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Data Request CPAD 1-173:

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 CPAD 1-173:

The Company does not explicitly forecast the number of net metering customers or their purchases/sales. To the extent there are such customers, the energy sales will reflect such changes to the extent historical trends in sales are affected. Such trends will be reflected in the load forecast.

For the number of net metering customers in 2015, see the response to CPAD 1-162. For purchases and sales of same, see response to CPAD-1-166.

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Data Request CPAD 1-174:

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 CPAD 1-174:

All TN net metering customers have demand meters currently installed. See CPAD 1-174 Attachment 1 for the requested information.

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Data Request CPAD 1-175:

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 CPAD 1-175:

Yes, all KgPCo net metering customers have dual channel meters installed to measure both electric imports and exports.

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Data Request CPAD 1-176:

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 CPAD 1-176:

Please see Exhibit No. 2 (WKC) page 7 of 9, "Incentive Strategy" section. Also see Exhibit No. 4 (WKC) page 2 of 2, "CUSTOMER CREDIT" section.

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Data Request CPAD 1-177:

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 CPAD 1-177:

See Exhibit No.4 (WKC) page 1 of 2, "CONDITIONS OF SERVICE" section.

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Data Request CPAD 1-178:

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 CPAD 1-178:

See Exhibit No. 4 (WKC) page 1 of 2, "CONDITIONS OF SERVICE" section, paragraph 2.

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Data Request CPAD 1-179:

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 CPAD 1-179:

Low income customers are defined as those customers who meet eligibility guidelines based on established Federal poverty guidelines. High use, low-income customers are the sub-set of low income customers who consume more electricity than the average low-income customer. There are currently approximately 633 customers who meet this criteria.

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Data Request CPAD 1-180:

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 CPAD 1-180:

The Company is not proposing to impose a demand charge on residential customers, low income or otherwise, with the following exceptions:

1. if a low-income residential customer wishes to begin net metering service after 1/1/2017, they would be required to take service under Tariff R.S.-D , and would be subject to a demand charge of \$9.44/kW of monthly billing demand;
2. a low-income residential customer who voluntarily requests service under Tariff R.S.-D, and is one of the first 250 applicants, will also be subject to the monthly demand charge of \$9.44/kW of billing demand.

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Data Request CPAD 1-181:

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 CPAD 1-181:

(a) The Company readily retains 36 months of billing data in the detail required to answer this question. For the period February 2013-January 2016, the average low-income, high usage customer consumed 21,396 kWh annually and the average (monthly) bill for those customers was \$148.91.

(b) The Company is not proposing a demand charge for residential customers who take standard service.

The following table shows the current high-usage, low-income customer and that same customer if they participate in the Low Income Weatherization Program. Pro forma bills include effect of Rate Realignment Rider:

Year	<u>0</u>	<u>1</u>	<u>2</u>	<u>3</u>
Annual (kWh)	21,396	21,396	21,396	21,396
Average Annual Savings from Residential Low Income Program (kWh)		(3,778)	(3,778)	(3,778)
Annual Pro Forma Usage (kWh)	21,396	17,618	17,618	17,618
Average Monthly Bill	\$ 148.91	\$ 146.78	\$ 150.14	\$ 153.57

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Data Request CPAD 1-182:

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 CPAD 1-182:

Please see Exhibit No.2 (WKC) page 3 of 9, "Implementation Strategy" section. No contracts have been signed, or are planned to be signed, with any potential implementation contractor, at this point.

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Data Request CPAD 1-183:

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 CPAD 1-183:

The programs were designed to be comparable to the programs in the Appalachian Power Company's Virginia service territory. The estimated number of participants are proportional to the estimated number of participants in Virginia, based on an approximate residential customer count.

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Data Request CPAD 1-184:

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 CPAD 1-184:

The programs were designed to be comparable to the programs in the Appalachian Power Company's Virginia service territory. The DSM program costs are proportional to the DSM program costs in Virginia, based on an approximate residential customer count.

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Data Request CPAD 1-185:

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 CPAD 1-185:

See Staff Informal 1_24_DSM Workpapers.xlsx. Refer to the "RLIWP", "RDLCP" and "TRM Calcs" tabs to see the calculations for the estimated total savings.

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Data Request CPAD 1-186:

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 CPAD 1-186:

Yes, Appalachian Power has proposed and implemented a similar DSM program in the Virginia jurisdiction. The proceeding information is as follows:

- (a) Appalachian Power - Virginia
- (b) CASE NO. PUE-2014-00026
- (c) Established Date: 04/02/2014, Closed Date: 11/26/2014
- (d) Approved for three years

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Data Request CPAD 1-187:

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 CPAD 1-187:

The Company has not proposed to earn a return on its DSM program costs and only seeks recovery of those costs.

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Data Request CPAD 1-188:

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 CPAD 1-188:

The cost benefit ratios are calculated using the present value of multiple years of benefits and costs. Savings result from reduced fuel consumption, reduced purchased power costs, and lower demand. Those savings are manifest through the fuel factor and PPAR which are adjusted monthly, and annually, respectively, and are realized by customers in their entirety. Because the programs are for residential customers, the energy savings will primarily be realized by participating residential customers while demand savings will be realized by all customers proportional to the PPAR billing determinants.

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Data Request CPAD 1-189:

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 CPAD 1-189:

See Staff Informal 1_24_DSM Workpapers.xlsx. Refer to the "RLIWP" and "RDLCP" tabs, rows 48-68 to see the calculations of the benefit cost ratios.

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Data Request CPAD 1-200:

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 CPAD 1-200:

The Company objects to this request on the grounds that it is overly broad and unduly burdensome. The CPAD has propounded over 200 written discovery requests, not including multiple subparts, the subjects of which cover the Company's entire operations. Identifying separately and individually the individuals who assisted with each particular request would be unduly burdensome. The Company further objects to this request to the extent it purports to require the disclosure of information or communications protected by the attorney-client and/or work product privileges. Subject to and without waiving the foregoing objections, the Company refers the CPAD to the individuals who provided pre-filed testimony on behalf of the Company in this matter.

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Data Request CPAD 1-201:

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 CPAD 1-201:

The Company objects to this request to the extent it attempts to impose on the Company any obligations greater than or in addition to those required by the Tennessee Rules of Civil Procedure and any Scheduling Order issued by the Hearing Officer in this matter. The Company further objects to this request on the grounds that it is overbroad, unduly burdensome. The Company also objects on the grounds that several phrases used in the request are vague, ambiguous, and undefined, such as "complete background information," "work papers," and "file notes". The Company further objects to this request to the extent it seeks communications that are protected by the attorney-client and/or work product privileges. Subject to and without waiving the foregoing objection, the Company refers the CAPD to its pre-filed testimony and states that it has not yet determined whether it will call an expert or experts to testify in this matter other than the witnesses who have already submitted pre-filed testimony.

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Data Request CPAD 1-202:

Please identify all persons having knowledge of discoverable matters in this case.
CATEGORY: Legal.

Response CPAD 1-202:

The Company objects to this request on the grounds that it is overbroad and unduly burdensome for a Company the size of Kingsport Power Company or AEPSC to list the hundreds or thousands of individuals who “hav[e] knowledge of discoverable matters.” The Company further objects to this request on the grounds that the phrase “having knowledge of discoverable matters” is vague and ambiguous. No particular “discoverable matters” are identified or defined in the CPAD’s request.

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Data Request CPAD 1-203:

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

CATEGORY: Legal.

Response CPAD 1-203:

The Company objects to this request on the grounds that it is overbroad and ambiguous as to the documents and information it seeks. The Company further objects to this request to the extent it seeks documents relied upon by the Company in responding to the CPAD's discovery requests that are protected by the attorney-client and or work-product privilege. Subject to and without waiving its objections, the Company refers the CPAD to the documents referenced in the Company's responses and produced herewith.

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Data Request CPAD 1-204:

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 CPAD 1-204:

The Company objects to this request to the extent it seeks to impose upon the Company obligations other than those required by the Tennessee Rules of Civil Procedure and any Scheduling Order issued by the Hearing Officer in this matter. Subject to and without waiving its objections, the Company states that it has not determined at this time which exhibits it intends to introduce as evidence at the hearing of this matter. Further answering, the Company refers the CPAD to documents submitted with its pre-filed testimony, produced in response to staff data requests, or produced herewith.

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Data Request CPAD 1-205:

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 CPAD 1-205:

The Company objects to this request on the grounds that it is overbroad and ambiguous as to the documents and information it seeks. The Company further objects to this request to the extent it seeks documents relied upon by the Company witnesses that are protected by the attorney-client and or work-product privilege. Subject to and without waiving its objections, the Company refers the CPAD to the documents submitted with its pre-filed testimony, produced in response to staff data requests, or produced herewith.

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Data Request CPAD 1-206:

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 CPAD 1-206:

The Company objects to this request on the grounds that it is overly broad, unduly burdensome, and seeks to impose on the Company obligations greater than or in addition to those imposed by the applicable rules of civil procedure. The Company further objects to this request on the grounds that the Company cannot possibly respond to this request because the other parties in this matter have not yet served nor responded to discovery. Therefore, it is impossible for the Company to state whether "each separate piece of information, documents and things" is "admissible as evidence". The Company further objects to this request as an improper use of written discovery to circumvent the rules of evidence applicable to the hearing in this matter. The Company reserves its right to object to the authenticity and/or admissibility of any evidence presented by any party at the hearing of this matter.