

S. Morris Hadden
William C. Bovender
William C. Argabrite
Jimmie Carpenter Miller
Mark S. Dessauer
Gregory K. Haden
Michael L. Forrester
Stephen M. Darden
Edward J. Webb, Jr.
James N. L. Humphreys
Suzanne Sweet Cook
Michael S. Lattier
Scott T. Powers

Respond to:
Kingsport Office
Joseph B. Harvey
423-378-8854
jharvey@hstdlaw.com

HUNTER·SMITH·DAVIS
SINCE 1916 LLP

Kingsport Office
1212 North Eastman Road
P.O. Box 3740
Kingsport, TN 37664
Phone (423) 378-8800
Fax (423) 378-8801

Johnson City Office
100 Med Tech Parkway
Suite 110
Johnson City, TN 37604
Phone (423) 283-6300
Fax (423) 283-6301

Leslie Tentler Ridings
Christopher D. Owens
Chad W. Whitfield
Jason A. Creech
Meredith Bates Humbert
Joseph B. Harvey
Rachel Ralston Mancl
Caroline Ross Williams
Marcy E. Walker
Teresa Mahan Lesnak *
Michael A. Eastridge *
Jeannette Smith Tysinger*

**Of Counsel*

www.hstdlaw.com

KPOW.92585

February 25, 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 Responses of Kingsport Power Company to the CPAD's Discovery Requests 2, 21, 42, 54, 56, 58, 71, 74, 77, 79, 85, 86, 87, 91, 92, 94, 96, 98, 100, 102, 103, 104, 105, 115, 116, 117, 118, 121, 130, 145, 162, and 172. 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.

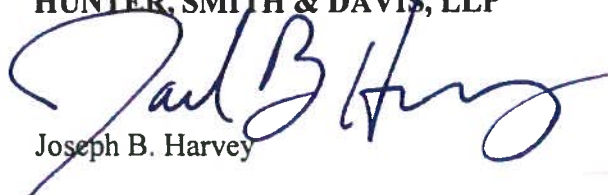
Please see that the hard copies are filed in the dockets. The information on the disk is voluminous.

Should there be any questions, please contact the writer.

Sharla Dillon, Dockets & Records Manager
Page 2
February 25, 2016

Very sincerely yours,

HUNTER, SMITH & DAVIS, LLP

A handwritten signature in blue ink, appearing to read "Paul B. Harvey", is written over the printed name "Joseph B. Harvey".

Joseph B. Harvey

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
William C. Bovender, 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

**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: 2, 21, 42, 54, 56, 58, 71, 74, 77, 79, 85, 86, 87, 91, 92, 94, 96, 98, 100, 102, 103, 104, 105, 115, 116, 117, 118, 121, 130, 145, 162, and 172; 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: W. K. Castle
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: 12, 21, 42, 54, 56, 58, 71, 74, 77, 79, 85, 86, 87, 91, 92, 94, 96, 98, 100, 102, 103, 104, 105, 115, 116, 117, 118, 121, 130, 145, 162, and 172, 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: 2, 21, 42, 54, 56, 58, 71, 74, 77, 79, 85, 86, 87, 91, 92, 94, 96, 98, 100, 102, 103, 104, 105, 115, 116, 117, 118, 121, 130, 145, 162, and 172, 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: 2, 21, 42, 54, 56, 58, 71, 74, 77, 79, 85, 86, 87, 91, 92, 94, 96, 98, 100, 102, 103, 104, 105, 115, 116, 117, 118, 121, 130, 145, 162, and 172, 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: 2, 21, 42, 54, 56, 58, 71, 74, 77, 79, 85, 86, 87, 91, 92, 94, 96, 98, 100, 102, 103, 104, 105, 115, 116, 117, 118, 121, 130, 145, 162, and 172, 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.



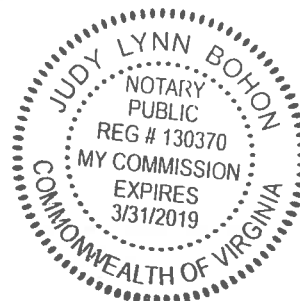
WILLIAM K. CASTLE

Sworn to and subscribed before me, this the 25th of February, 2016.


Notary Public

My Commission Expires:

March 31, 2019



As to Objections:

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

By: 

William C. Bovender, Esq. (BPR #000751)

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

HUNTER, SMITH & DAVIS, LLP

1212 N. Eastman Road

P. O. Box 3740

Kingsport, TN 37664

(423) 378-8858; Fax: (423) 378-8801

Email: bovender@hdsdlaw.com

Email: jharvey@hdsdlaw.com

Of Counsel:

James R. Bacha, Esq.

Hector Garcia, Esq.

American Electric Power Service Corporation

1 Riverside Plaza

Columbus, OH 43215

(614) 716-1615; Fax: (614) 716-2950

Email: jrbacha@aep.com

Email: hgarcial@aep.com

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and exact copy of the foregoing **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 25th day of February, 2016:

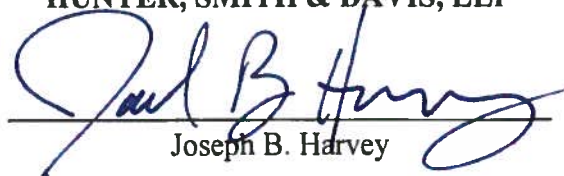
Wayne M. Irvin (BPR #30946)
Assistant Attorney General
Consumer Advocate and Protection Division
Office of the Tennessee Attorney General
P.O. Box 20207
Nashville, TN 37202-0207
E-mail: wayne.irvin@ag.tn.gov

Henry Walker, Esq. (BPR #000272)
Bradley Arant Boult Cummings, LLP
1600 Division St., Ste 700
Nashville, TN 37203
Email: hwalker@babbc.com
Counsel for TenneSEIA and TASC

Michael J. Quinan, Esq. (BPR #11104)
Christian & Barton, LLP
909 East Main St., Ste 1200
Richmond, VA 23219
Email: mquinan@cblaw.com
Counsel for East Tennessee Energy Consumers

Charles B. Welch, Jr., Esq. (BPR #5593)
Farris Bobango, PLC
Bank of America Plaza
414 Union St., Ste 1105
Nashville, TN 37219
Email: cwelch@farris-law.com
Counsel for Energy Freedom Coalition of America, LLC

HUNTER, SMITH & DAVIS, LLP


Joseph B. Harvey

**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 3)
To Kingsport Power Company**

Data Request CPAD 1-002:

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

CATEGORY: General.

Response CPAD 1-002:

Included on the enclosed CD are the following agreements:

Amended and Restated Interconnection Agreement between Appalachian Power Company and Kingsport Power Company as CPAD 1-002 Attachment 1;

Transmission Agreement and associated settlement agreement as CPAD 1-002 Attachments 2 and 2a;

AEPSC Service Agreement with KgPCo as CPAD 1-002 Attachment 3;

AEP Co., Inc. and its Consolidated Affiliate Tax Agreement regarding methods of Allocating Consolidated Income Taxes as CPAD 1-002 Attachment 4;

Purchase Contract between KgPCo and Indiana Franklin Realty, Inc. as CPAD 1-002 Attachment 5;

Mutual Assistance Agreement as CPAD 1-002 Attachment 6;

Affiliate Transactions Agreement (East Companies) as CPAD 1-002 Attachment 7;

Master Site Agreement (East) with AEP Operating Companies as CPAD 1-002 Attachment 8;

AEP System Utility Money Pool Agreement as CPAD 1-002 Attachment 9;

AEP System Amended and Restated Utility Money Pool Agreement as CPAD 1-002 Attachment 10;

Agreement Between KgPCo and AEP Energy Services as CPAD 1-002 Attachment 11;

Third Amended and Restated Purchase Agreement Between AEP Credit and KgPCo as CPAD 1-002 Attachments 12 and 12a.

**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 3)
To Kingsport Power Company**

Data Request CPAD 1-021:

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

CATEGORY: Revenue.

Response CPAD 1-021:

See the Company's response to Staff Informal 1-24 AWA Attachment 1 and Staff Informal 1-24 AWA OR-6 & OM-11 JE Detail.

**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 3)
To Kingsport Power Company**

Data Request CPAD 1-042:

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

CATEGORY: Rate Base.

Response CPAD 1-042:

The monthly balances of CIAC by subaccount are not available.

Contributions in Aid of Construction (CIAC) are tracked by work order, where applicable, and recorded as a credit in Account 107, Construction Work in Progress. If the total CIACs are more than the construction charges for the applicable work orders, the excess is recorded in Account 2530124. See the response to CPAD 1-005 for the monthly balances in Account 2530124, which the Company began using in March 2014. Refer to KgPCo Exhibit No. 2-a (DRB), Page 4 of 10, attached to Company witness Buck's testimony, for the test year-end balance of Account 2530124 that was included as a rate base offset in the cost of service study.

For completed construction work, CIAC is recorded as an offset to the Account 101 balance as part of the 300 series electric plant account detail.

**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 3)
To Kingsport Power Company**

Data Request CPAD 1-054:

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

CATEGORY: Accounting Information.

Response CPAD 1-054:

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 responses to CPAD 1-001 and 1-055.

**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 3)
To Kingsport Power Company**

Data Request CPAD 1-056:

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

CATEGORY: Accounting Information.

Response CPAD 1-056:

See CAPD 1-56, Attachment 1, for a list of internal audit reports, issued from January 2012 through February 5, 2016, for KgPCo and for affiliates and/or operations that could have resulted in costs being charged to KgPCo.

**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 3)
To Kingsport Power Company**

Data Request CPAD 1-058:

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

CATEGORY: Operating Expenses.

Response CPAD 1-058:

The Company does not provide "Bonus" plans to employees. The Company provides employees a base compensation amount along with a variable compensation amount that is earned based on specific goal achievement. The total of this compensation is within the market-competitive pay ranges. Please see CPAD 1-058 Attachment 1 for the incentive compensation plan portion of employee pay. See also previously provided Staff Informal responses 1-44 then 1-37, and 1-24 for related cost of service incentive employee compensation payments. CPAD 1-058 Attachment 1 information not applicable to KgPCo is redacted.

**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 3)
To Kingsport Power Company**

Data Request CPAD 1-071:

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

CATEGORY: Operating Expenses.

Response CPAD 1-071:

The Company only used the 2014 expense ratio is calculating certain going-level adjustments to the test year cost of service. The expense ratio is calculated using FERC Form 1 pages 354 and 355. For example for 2014: \$2,167,392 "TOTAL All Utility Dept. (Line 65)" column (d) is divided by \$4,673,637 "TOTAL SALARIES AND WAGES" (Line 96) column (d) equaling 46.37%.

See the Company's response to Staff Informal 1-038 for the derivation of the payroll capitalization ratios for 2013 and 2014.

Similar data for 2015 is not yet available since the 2015 FERC Form 1 has not been filed.

**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 3)
To Kingsport Power Company**

Data Request CPAD 1-074:

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

CATEGORY: Operating Expenses.

Response CPAD 1-074:

The basis for the Company's cost of employee benefits is provided below, along with the cost rate method for each benefit.

1. Pension plan: the entire cost for this plan is paid by the Company, and is an actuarially determined amount based on the anticipated costs of providing benefits as specified under the plan.
2. Savings plan: the Company's cost for this plan is based on the cumulative company match provided to all employees based on their individual payroll deferrals into the plan.
3. Medical plan: For the Company's self-funded medical plan, annually the Company has a third party actuary project what anticipated total medical costs will be for the coming year based on the design of the plan and past claims experience. This total amount is then divided by the number of covered employees to derive an appropriate per employee amount, and then employees pay approximately 20% of this amount through payroll deduction with the Company covering the remainder through monthly contributions to a medical benefits trust.
4. Dental plan: For the Company's self-funded dental plan, annually the Company has a third party actuary project what anticipated total dental costs will be for the coming year based on the design of the plan and past claims experience. This total amount is then divided by the number of covered employees to derive an appropriate per employee amount, and then employees pay approximately 30% of this amount through payroll deduction with the Company covering the remainder through monthly contributions to a dental benefits trust.
5. LTD plan: For the Company's self-funded LTD plan the entire cost of providing future projected LTD benefits is covered by the Company through annual actuarially determined contributions made to the LTD benefits trust.
6. Life insurance plan: For the Company's fully insured life insurance plan, the Company provides for the basic benefits (2 x salary) by paying a premium to the life insurance company which is based on the overall volume of coverage provided.
7. OPEB: this cost is actuarially determined and is based on the projected costs of providing retiree medical and life insurance benefits.

**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 3)
To Kingsport Power Company**

Response CPAD 1-074: (continued)

The test year and the requested cost of service amounts were provided as part of Staff Informal 1- 24 AWA, Attachments 5 through 10, for employee benefit programs covering other post employment benefits (OPEB), pensions, life insurance, medical insurance, long-term disability insurance and dental insurance, respectively.

The Company's savings plan cost for the test year was \$171,873 recorded in Account 9260027. See the Company's response to Staff Informal 1- 24 AWA, Attachment 4, for the workpaper for Adjustment OM-19 related to savings plan expense.

**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 3)
To Kingsport Power Company**

Data Request CPAD 1-077:

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

CATEGORY: Operating Expenses.

Response CPAD 1-077:

The level of KgPCo and AEP consolidated accumulated pension plan funding positions as of 12/31/2015 were as follows:

KgPCo	\$ (1,687,334)
AEP consolidated	\$(111,555,985)

Ratemaking follows the requirements of FASB ASC 980, Regulated Operations, for pension cost. Under ASC 980, pension cost fluctuations are smoothed through deferral and amortization of actuarial gains and losses, and cumulative pension cash contributions beyond the amount of cumulative pension cost is recorded as a prepaid pension asset. The prepaid pension asset is included in rate base for ratemaking purposes because it represents a cash investment in the pension plan beyond the amount of pension cost included in cost of service and because the additional trust fund assets from the additional contributions create investment income that reduces pension cost for customers.

**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 3)
To Kingsport Power Company**

Data Request CPAD 1-079:

Please list all net periodic pension cost and pension funding payments by AEP consolidated and the Company for each year 1990 through 2015.

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

CATEGORY: Operating Expenses.

Response CPAD 1-079:

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:

- (a) See table below for pension expense and funding payments for 2010-2015 for AEP consolidated and for KgPCo. Similar data for years prior to 2010 is not readily available.

Pension Expense & Contributions			
\$s			
Year	Kingsport	AEP Consolidated	
2010 Expense	343,908	132,598,976	
2011 Expense	369,000	110,033,000	
2012 Expense	419,827	122,179,275	
2013 Expense	560,949	172,774,577	
2014 Expense	536,638	151,433,518	
2015 Expense	387,614	126,471,547	
Year	Kingsport	AEP Consolidated	Service Cost
2010 Contribution	595,076	500,000,000	109,179,598
2011 Contribution	1,582,000	450,000,000	71,900,761
2012 Contribution	767,000	200,000,000	75,709,045
2013 Contribution	0	0	68,688,725
2014 Contribution	252,000	71,464,000	71,464,000
2015 Contribution	264,000	92,514,000	92,514,000
AEP's current policy is generally to contribute any amount required under ERISA or the annual service cost of the pension plan, whichever is greater. Prior to adopting the current policy, we made contributions in 2010 through 2012 to help restore the plan's funded status and to reduce premiums. In 2013, ERISA credits were applied so a contribution was not made.			

**TENNESSEE REGULATORY AUTHORITY
PETITION OF KINGSFORT POWER COMPANY
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Data Requests and Requests for the Production
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Consumer Protection And Advocate Division (First Set/Part 3)
To Kingsport Power Company**

Response CPAD 1-079: (continued)

(b), (c) & (d)

Pension funding decisions are evaluated by AEP management, not the Board of Directors.

See (a) above for the Company's policy for pension funding contributions and the response to CPAD 1-078 for the related actuarial reports.

**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 3)
To Kingsport Power Company**

Data Request CPAD 1-085:

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

CATEGORY: Operating Expenses.

Response CPAD 1-085:

There were no country club dues included in the Company's cost of service.

**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 3)
To Kingsport Power Company**

Data Request CPAD 1-086:

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

CATEGORY: Operating Expenses.

Response CPAD 1-086:

Refer to the table below for membership dues included in the Company's cost of service.

Name	Account	Amount
KINGSPORT CHAMBER OF COMMERCE	9302000	\$1,900
TENNESSEE CHAMBER OF COMMERCE	9302000	\$1,000
DOWNTOWN KINGSPORT ASSN	9302000	\$500
SCOTT COUNTY ROTARY	5800000	\$375
DOWNTOWN KINGSPORT ROTARY	5800000	\$507
		\$4,282

**TENNESSEE REGULATORY AUTHORITY
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DOCKET NO. 16-00001**

**Data Requests and Requests for the Production
of Documents by the
Consumer Protection And Advocate Division (First Set/Part 3)
To Kingsport Power Company**

Data Request CPAD 1-087:

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

CATEGORY: Operating Expenses.

Response CPAD 1-087:

Refer to table below:

Name	Amount
NETWORKS SULLIVAN PARTNERSHIP	\$18,354
KINGSFORT CHAMBER OF COMMERCE	\$11,500
FUN FEST	\$10,000
Total	\$39,854

**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 3)
To Kingsport Power Company**

Data Request CPAD 1-091:

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

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

CATEGORY: Operating Expenses.

Response CPAD 1-091:

- (a) Refer to response to CPAD 1-086 for the Company's membership dues included in cost of service.
- (b) Lobbying Expenses - \$0. Refer to response to CPAD 1-088.
- (c) Charitable Contributions - Refer to response to CPAD 1-084.
- (d) Investor Relations Expenses - The only Investor Relations Expenses included in cost of service are those listed in the response to CPAD 1-105.
- (e) Public Relations Expenses - The only Public Relations Expenses included in cost of service are those listed in the response to CPAD 1-105.
- (f) Advertising Expenses - Refer to response to CPAD 1-115.

**TENNESSEE REGULATORY AUTHORITY
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To Kingsport Power Company**

Data Request CPAD 1-092:

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

CATEGORY: Operating Expenses.

Response CPAD 1-092:

See CPAD 1-92 Attachment 1.xlsx for a list of 2014 payments to Edison Electric Institute. Presented are the accounts, invoice number and date, and the total invoice amount and the amount expensed by KGPCo. See CPAD 1-92 Attachment 2.pdf for the invoices related to 2014.

See CPAD 1-92 Attachment 3.xlsx for a list of 2015 payments to Edison Electric Institute. Presented are the accounts, invoice number and date, and the total invoice amount and the amount expensed by KGPCo. See CPAD 1-92 Attachment 4.pdf for the invoices related to 2015.

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

Data Request CPAD 1-094:

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

Response CPAD 1-094:

Refer to the table below for supporting documentation related to the Company's cancelled capital work orders recorded in the test period:

Account	Yr.	Mo.	Date	Journal ID	Long Descr	Sum Amount
5910000	2014	1	1/31/2014	AJECANC01	To clear costs associated to closed or cancelled work orders.	\$ (396.35)
5910000	2014	1	1/31/2014	AJECANC01	To clear costs associated to closed or cancelled work orders.	\$ 1,640.01
5910000	2014	1	1/31/2014	AJECANC01	To clear costs associated to closed or cancelled work orders.	\$ 7.46
5910000	2014	1	1/31/2014	AJECANC01	To clear costs associated to closed or cancelled work orders.	\$ 6,598.72
5910000	2014	1	1/31/2014	AJECANC01	To clear costs associated to closed or cancelled work orders.	\$ 96.21
5910000	2014	1	1/31/2014	AJECANC01	To clear costs associated to closed or cancelled work orders.	\$ 1,031.49
5910000	2014	1	1/31/2014	AJECANC01	To clear costs associated to closed or cancelled work orders.	\$ (84.30)
5910000	2014	1	1/31/2014	AJECANC01	To clear costs associated to closed or cancelled work orders.	\$ 1,393.20
5910000	2014	1	1/31/2014	AJECANC01	To clear costs associated to closed or cancelled work orders.	\$ 10.55
5910000						\$ 10,296.99
5930000	2014	2	2/28/2014	AJECANC01	To clear costs associated to closed or cancelled work orders.	\$ 265.39
5930000	2014	2	2/28/2014	AJECANC01	To clear costs associated to closed or cancelled work orders.	\$ 1.04
5930000	2014	2	2/28/2014	AJECANC01	To clear costs associated to closed or cancelled work orders.	\$ 487.42
						\$ 753.85
5940000	2014	5	5/31/2014	AJECANC01	To clear costs associated to closed or cancelled work orders.	\$ 51.79
5940000	2014	5	5/31/2014	AJECANC01	To clear costs associated to closed or cancelled work orders.	\$ 0.05
5940000	2014	5	5/31/2014	AJECANC01	To clear costs associated to closed or cancelled work orders.	\$ 6.91
5940000	2014	10	10/31/2014	AJECANC01	To clear costs associated to closed or cancelled work orders.	\$ 1,208.06
						\$ 1,266.81
						\$ 12,317.65

The Company did not write-off any obsolete inventory in the test period.

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**Data Requests and Requests for the Production
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Data Request CPAD 1-096:

Please provide a copy of the AEP policy on personal use of corporate aircraft and provide the related costs of any such personal use included in requested cost of service. If any cost of personal use is included in KgPCo cost of service, provide details with specificity of such costs. In addition, state in detail with specificity whether any amount of the cost of corporate aircraft is directly or indirectly allocated to KgPCo's customers, and, for any such allocated amount, state such amount and provide details with specificity of the amount of such allocation and the basis for such allocation, including without limitation the rationale for such allocation and specific means, methods, and calculations resulting in such allocation.

CATEGORY: Operating Expenses.

Response CPAD 1-096:

See CPAD 1-96 Attachment 1 for the most current AEP Policy on personal use of corporate aircraft.

There was no personal use of the aircraft for 2014 and therefore no charges for personal use were allocated to Kingsport.

In addition, there were no aviation charges directly billed to Kingsport. There was \$13,783 of indirect aviation charges billed through service corporation to Kingsport and included in cost of service. See the response to CPAD 1-105(g). These indirect charges are service corporation charges that have benefiting locations that would include Kingsport Distribution and Transmission. The costs are allocated amongst all of the companies based upon the attribution basis. Attribution bases are shown in the Cost Allocation Manual provided in response to CPAD 1-55 Attachment 1. Almost 80% of the hours flown were service corporation charges. This is due to the fact that a vast majority of the time it is executives using the service. This also explains why multi-company benefiting locations are used most frequently as they are generally attending events or meetings that benefit the entire organization or large portions of the company (ie: all of Transmission or Generation). Lastly, the other 20% of the aviation charges were to company 100, which does not bill through the service corporation billing, and therefore, Kingsport would have none of these charges.

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**Data Requests and Requests for the Production
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Consumer Protection And Advocate Division (First Set/Part 3)
To Kingsport Power Company**

Data Request CPAD 1-098:

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

CATEGORY: Operating Expenses.

Response CPAD 1-098:

KgPCo and Service Company Board of Directors members receive no compensation for their Board of Directors' service. AEP Board of Directors members receive compensation but none is allocated to KgPCo.

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**Data Requests and Requests for the Production
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Data Request CPAD 1-100:

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

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

CATEGORY: Operating Expenses.

Response CPAD 1-100:

AEP Credit factors accounts receivable on a daily basis for the Company. Generally, AEP Credit records bad debt expense based upon a 12-month rolling average of bad debt write-offs in proportion to gross accounts receivable purchased from participating AEP subsidiaries. The Company does not record an amount for Allowance for Doubtful accounts.

Refer to the table below for the requested data for 2012-2015:

		2015	2014	2013	2012
a	Bad Debt Expense	\$ 367,265	\$ 418,205	\$ 349,434	\$ 473,025
b	Bad Debt Write-offs	\$ 273,923	\$ 392,088	\$ 402,704	\$ 287,471
c	Collection of Written-off Accounts	\$ 77,877	\$ 81,843	\$ 65,892	\$ 73,170
d	Allowance for Doubtful Accounts	\$ -	\$ -	\$ -	\$ -
e	Billed Revenues	\$147,654,383	\$ 158,546,315	\$ 151,312,764	\$ 147,052,979

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

Data Request CPAD 1-102:

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

CATEGORY: Operating Expenses.

Response CPAD 1-102:

During the 2014 test year, there were no judgments or settlements, related to suits involving Kingsport Power Company as defendant, that resulted in the Company paying, agreeing to pay, and/or being ordered to pay an amount in excess of \$10,000.

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**Data Requests and Requests for the Production
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Data Request CPAD 1-103:

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

CATEGORY: Operating Expenses.

Response CPAD 1-103:

Please see CPAD 1-103 Attachment 1.xls for AEPSC charges by FERC account billed to KgPCo during the test year.

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Data Request CPAD 1-104:

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

CATEGORY: Operating Expenses.

Response CPAD 1-104:

Refer to CPAD 1-104 Attachment 1 for the AEPSC cost of service billings to Kingsport by service performed and month for 2013, 2014, 2015, and Jan 2016.

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Data Request CPAD 1-105:

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

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

CATEGORY: Operating Expenses.

Response CPAD 1-105:

a. The following table provides the amount of company and employee memberships dues included in cost of service during the test year, by account, as billed from the AEP Service Corporation to Kingsport.

FERC Account	Company Memberships	Employee Memberships	Grand Total
5000		1	1
5560	0		0
5600	2	14	16
5612		5	5
5615		17	17
5630		1	1
5660		13	13
5710		0	0
5800		40	40
5860		6	6
5880		24	24
9030		9	9
9070	239	4	243
9120	133	34	167
9210	469	394	863
9230	623	55	678
9280		1	1
9301		3	3
9302	5.907	9	5.916
Grand Total	7.372	630	8.002

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Response CPAD 1-105: (continued)

There are no social membership dues included in cost of service. Company memberships pertain to various trade or industrial organizations, while employee memberships pertain primarily to professional or technical organizations.

- b. Refer to response TRA Staff Informal Data Request No. 1-48 for the requested information.
- c. Refer to response TRA Staff Informal Data Request No. 1-48 for the requested information.
- d. The following table provides the amount of investor relations expenses included in cost of service during the test year, by account, as billed from the AEP Service Corporation to Kingsport.

FERC Account	Total
9200	1,893.97
9210	407.60
9230	469.18
9302	33.87
Grand Total	2,804.62

- e. The following table provides the amount of public relations expenses included in cost of service during the test year, by account, as billed from the AEP Service Corporation to Kingsport. Public relations activity includes those tasks associated with issuing press releases and answering questions from the media. Major tasks included, but were not limited to, holding press conferences; responding to articles and communications about the Company in the media; researching, preparing and issuing news releases; supporting media tours and open houses; and providing the related technical support to perform these duties.

FERC Account	Total
5600	3.28
9200	2,172.07
9210	19.44
9230	422.22
9301	126.00
Grand Total	2,743.01

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Response CPAD 1-105: (continued)

f. The following table provides the amount of advertising expenses included in cost of service during the test year, by account and category, as billed from the AEP Service Corporation to Kingsport.

FERC Account	Category	Total
9301	Corporate	142
	Informational	203
	Marketing	1,991
Grand Total		2,336

g. The following table provides the amount of aviation expenses included in cost of service during the test year, by account, as billed from the AEP Service Corporation to Kingsport.

FERC Account	Total
5600	955.92
5660	4.59
5880	47.79
9210	12,518.00
9230	256.53
Grand Total	13,782.83

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**Data Requests and Requests for the Production
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Data Request CPAD 1-115:

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

CATEGORY: Operating Expenses.

Response CPAD 1-115:

Refer to the Company's response to CPAD 1-105f for advertising expenses billed by AEP Service Corporation to KgPCo during the test year. Refer also to the Company's response to Staff Informal 1-045 that details KgPCo's test year advertising expenses. See KgPCo Exhibit No. 2-a (DRB), Page 7 of 10, attached to the testimony of Company witness Buck, for the test year expenses recorded in Account 930.1, General Advertising Expenses, of \$3,918 included in the cost of service.

See CPAD 1-115, Attachment 1, for a copy of a Yellow Pages telephone listing.

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**Data Requests and Requests for the Production
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Data Request CPAD 1-116:

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

CATEGORY: Operating Expenses.

Response CPAD 1-116:

See CPAD 1-116, Attachment 1, for the requested information.

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**Data Requests and Requests for the Production
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Data Request CPAD 1-117:

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

CATEGORY: Operating Expenses.

Response CPAD 1-117:

As shown in the Company's response to Staff Informal 1-24 AWA Attachment 11 (which is the workpaper for Adjustment OM-26), the Company is requesting \$240,506 of incentive compensation plan (ICP) cost in the KgPCo jurisdictional (distribution) cost of service. In its Adjustment OM-26, the Company applied an O&M percentage of 46.37% to the ICP expenses to calculate the adjustment. The 46.37% was derived from the 2014 FERC Form No. 1, pp. 354-355, that report the Distribution of Salaries and Wages to O&M, capital, retirement and other non-O&M accounts.

The Company did not adjust the test year level of incentive compensation billed by the AEP Service Corporation (AEPSC) to Kingsport. See the Company's response to CPAD 1-118 for the test year incentive compensation billed by AEPSC to Kingsport and the total Company test year incentive compensation direct charged to KgPCo.

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Data Request CPAD 1-118:

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

CATEGORY: Operating Expenses.

Response CPAD 1-118:

See CPAD 1-118, Attachment 1, for the test period incentive compensation billed by AEP Service Company to KgPCo. See CPAD 1-118, Attachment 2, for the total Company test period incentive compensation direct charged to KgPCo.

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**Data Requests and Requests for the Production
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Data Request CPAD 1-121:

Supplemental Executive Retirement Plan (SERP).

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

CATEGORY: Operating Expenses.

Response CPAD 1-121:

- a. See CPAD 1-121 Attachment 1.xls for the 2014 AEPSC SERP cost of service billings to Kingsport by FERC account.
- b. The following table provides the calendar year ended 2012, 2013, 2014, and 2015 AEPSC cost of service SERP billings to Kingsport.

Time Span	Amount
Jan - Dec 2012	\$ 31,779
Jan - Dec 2013	\$ 17,141
Jan - Dec 2014	\$ 13,551
Jan - Dec 2015	\$ 18,956

- c. See CPAD 1-121 Attachment 2.pdf for the 2015 actuarial report for SERP.
- d. See CPAD 1-121 Attachment 3.pdf for the 2014 actuarial report for SERP.

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**Data Requests and Requests for the Production
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Data Request CPAD 1-130:

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

CATEGORY: General.

Response CPAD 1-130:

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. The documents requested contain highly sensitive confidential information unrelated to the Company or the Company's application, including communications and documents protected by attorney-client privilege and/or the attorney work product doctrine, none of which is subject to discovery in this case. Furthermore, it would be unduly burdensome to produce "all studies, documents, presentations, and other materials referenced in the [AEP Board of Directors' meeting] minutes" and/or "all minutes (and studies, documents, presentations, and other materials referenced in the minutes) of Board committee meetings." These materials are not only voluminous, confidential, and highly sensitive, but also contain numerous references to potential supporting documents, references which are prohibitively vague, and which do not make at all clear whether a physical supporting document exists. In addition, there are no supporting documents attached to the official copy of the AEP Board minutes. Even with more than diligent effort, it is possible that KgPCo would not even be able to identify and locate all supporting documents, including any that may be specifically referenced in the AEP Board minutes or Committee minutes. Without waiving these objections, the Company states as follows:

The Board of Directors' meeting minutes do not contain references to KgPCo or to documents referring to KgPCo, and do not contain information relevant to the subject matter of the Company's application.

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Data Request CPAD 1-145:

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

CATEGORY: TRS.

Response CPAD 1-145:

The capitalization of distribution assets for AEP's utility companies follow Federal Energy Regulatory (FERC) guidelines to determine when expenditures should be classified as capital and considered additions or retirements of electric plant. CFR Title 18 - Conservation of Power and Water Resources, found in the link below, contains the FERC guidance used by the Company.

<http://www.ferc.gov/enforcement/acct-matts/usofa.asp?new=sc3>http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title18/18tab_02.tpl

Primary guidance can be found in Subchapter C, Part 101.

In regards to vegetation management capitalization, the following criteria is used:

New clearing of ROWs

Widening of ROWs

Removal of trees not removed during initial clearing

Initial application of a specific herbicide (examples include initial applications of broad spectrum herbicide and tree growth regulator)

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**Data Requests and Requests for the Production
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Data Request CPAD 1-162:

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

Response CPAD 1-162:

See CPAD 1-162 Attachment 1 for the net metering customers by AEP operating company for the period 2013-Nov 2015; December 2015 is not yet published.

The Company does not have a forecast of future participants.

See the following links for affiliated company tariffs:

https://aepohio.com/global/utilities/lib/docs/ratesandtariffs/Ohio/2015-12-31_AEP_Ohio_Standard_Tariff.pdf

https://www.appalachianpower.com/global/utilities/lib/docs/ratesandtariffs/Virginia/Approved_Tariff_25_Jan_2016.pdf

https://www.appalachianpower.com/global/utilities/lib/docs/ratesandtariffs/WestVirginia/ENEC_Tariff_Sheets_Effective_11-1-15.pdf

https://indianamichiganpower.com/global/utilities/lib/docs/ratesandtariffs/Indiana/IM_IN_TB_16_12-31-2015.pdf

https://indianamichiganpower.com/global/utilities/lib/docs/ratesandtariffs/Michigan/IM_MI_TB_12-31-2015.pdf

https://kentuckypower.com/global/utilities/lib/docs/ratesandtariffs/kentucky/KYTAR_10-02-2015.pdf

<https://www.psoklahoma.com/account/bills/rates/>

<https://swepco.com/account/bills/rates/SWEPCORatesTariffsAR.aspx>

<https://swepco.com/account/bills/rates/SWEPCORatesTariffsLA.aspx>

<https://swepco.com/account/bills/rates/SWEPCORatesTariffsTX.aspx>

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**Data Requests and Requests for the Production
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Consumer Protection And Advocate Division (First Set/Part 3)
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Data Request CPAD 1-172:

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

CATEGORY: Net Metering.

Response CPAD 1-172:

The Company objects to this request on the grounds that it is ambiguous, unduly burdensome, and overbroad. The Company further objects to the extent the request purports to require production of documents provided to specific customers. Without waiving these objections, the Company states that Tariff N.M.S. is the reference source for communication with its Tennessee customers concerning Net Metering.

S. Morris Hadden
William C. Bovender
William C. Argabrite
Jimmie Carpenter Miller
Mark S. Dessauer
Gregory K. Haden
Michael L. Forrester
Stephen M. Darden
Edward J. Webb, Jr.
James N. L. Humphreys
Suzanne Sweet Cook
Michael S. Lattier
Scott T. Powers

Respond to:
Kingsport Office
Joseph B. Harvey
423-378-8854
jharvey@hsdlaw.com

HUNTER · SMITH · DAVIS
SINCE 1916 **LLP**

Kingsport Office
1212 North Eastman Road
P.O. Box 3740
Kingsport, TN 37664
Phone (423) 378-8800
Fax (423) 378-8801

Johnson City Office
100 Med Tech Parkway
Suite 110
Johnson City, TN 37604
Phone (423) 283-6300
Fax (423) 283-6301

Leslie Tentler Ridings
Christopher D. Owens
Chad W. Whitfield
Jason A. Creech
Meredith Bates Humbert
Joseph B. Harvey
Rachel Ralston Mancil
Caroline Ross Williams
Marcy E. Walker
Teresa Mahan Lesnak *
Michael A. Eastridge *
Jeannette Smith Tysinger *

**Of Counsel*

www.hsdlaw.com

KPOW.92585

February 25, 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 the public version of Kingsport Power Company's Response to CPAD Discovery Requests 1-025, 1-072 and 1-131. The full version of the Request Responses are CONFIDENTIAL and being sent by separate overnight delivery to the TRA and the Consumer Advocate along with four (4) hard copies of the public response. The Confidential Responses to Requests 1-025 and 1-072, which contain information that is confidential to Kingsport's customers and employees, is being provided to only the TRA and the Consumer Advocate, but not the remaining intervenors.

Please see the public version is filed and the CONFIDENTIAL version is filed and treated as Confidential pursuant to the Protective Order.

Should there be any questions, please contact the writer.

Very sincerely yours,

HUNTER, SMITH & DAVIS, LLP


Joseph B. Harvey

Sharla Dillon, Docket Manager

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February 25, 2016

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
William C. Bovender, 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

**CONFIDENTIAL RESPONSES OF KINGSPORT POWER COMPANY TO
DISCOVERY REQUEST NOS. 1-025, 1-072 and 1-131 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 Requests of the Consumer Protection and Advocated Division ("CAD") 1-025, 1-072 and 1-131, subject to general objections. A public, redacted version is being transmitted electronically to the TRA and other parties, all subject to general objections. A CONFIDENTIAL version, as the Protective Order has been invoked as to the responses to 1-025, 1-072 and 1-131, is being sent by overnight disk to the TRA and the Consumer Advocate.

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: 1-025, 1-072 and 1-131, 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: 1-025, 1-072 and 1-131, 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: 1-025, 1-072 and 1-131, 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: 1-025, 1-072 and 1-131, 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. Castle

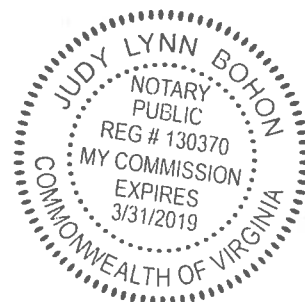
WILLIAM K. CASTLE

Sworn to and subscribed before me, this the 25th 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: 

William C. Bovender, Esq. (BPR #000751)

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

HUNTER, SMITH & DAVIS, LLP

1212 N. Eastman Road

P. O. Box 3740

Kingsport, TN 37664

(423) 378-8858; Fax: (423) 378-8801

Email: bovender@hdsdlaw.com

Email: jharvey@hdsdlaw.com

Of Counsel:

James R. Bacha, Esq.

Hector Garcia, Esq.

American Electric Power Service Corporation

1 Riverside Plaza

Columbus, OH 43215

(614) 716-1615; Fax: (614) 716-2950

Email: jrbacha@aep.com

Email: hgarcia1@aep.com

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and exact copy of the foregoing **CONFIDENTIAL RESPONSES OF KINGSPORT POWER COMPANY TO DISCOVERY REQUEST NOS. 1-025, 1-072 and 1-131 OF THE CONSUMER PROTECTION AND ADVOCATE DIVISION** has been served upon the following by emailing a true and accurate copy on this the 25th day of February, 2016:

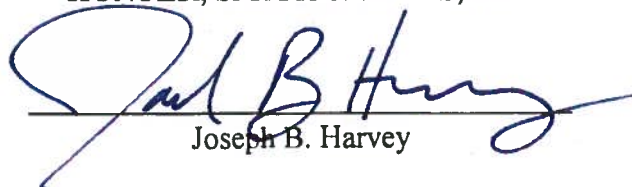
Wayne M. Irvin (BPR #30946)
Assistant Attorney General
Consumer Advocate and Protection Division
Office of the Tennessee Attorney General
P.O. Box 20207
Nashville, TN 37202-0207
E-mail: wayne.irvin@ag.tn.gov

Henry Walker, Esq. (BPR #000272)
Bradley Arant Boult Cummings, LLP
1600 Division St., Ste 700
Nashville, TN 37203
Email: hwalker@babbc.com
Counsel for TenneSEIA and TASC

Michael J. Quinan, Esq. (BPR #11104)
Christian & Barton, LLP
909 East Main St., Ste 1200
Richmond, VA 23219
Email: mquinan@cblaw.com
Counsel for East Tennessee Energy Consumers

Charles B. Welch, Jr., Esq. (BPR #5593)
Farris Bobango, PLC
Bank of America Plaza
414 Union St., Ste 1105
Nashville, TN 37219
Email: cwelch@farris-law.com
Counsel for Energy Freedom Coalition of America, LLC

HUNTER, SMITH & DAVIS, LLP



Joseph B. Harvey

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**Data Requests and Requests for the Production
of Documents by the
Consumer Protection And Advocate Division (First Set/Part 3)
To Kingsport Power Company**

Data Request CPAD 1-025:

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

- (a) The contact name and phone number of the individual at each company that is most familiar with their electric usage.
- (b) All correspondence with these customers from January 1, 2009 through December 2015 regarding historical, projected or anticipated changes to their electric usage.
- (c) The monthly delivered kWh at each meter point for each customer from January 2009 through December 2015.
- (d) A copy of each customer's monthly bill from January 2014 through December 2015.

CATEGORY: Revenue.

Response CPAD 1-025:

The Company objects to this request to the extent that it seeks information that is personal and confidential to its 25 largest customers, which were identified in the Company's response to Staff Informal 1-27. The Company further objects to this request on the grounds that it is overbroad, unduly burdensome, and not reasonably calculated to lead to the discovery of admissible evidence. In support of this objection, the Company states that such things as contact names and phone numbers of individuals at the identified 25 largest customers of KgPCo; those customers' monthly bills and monthly electric usage; and correspondence regarding projected and/or anticipated changes in those customers' electric usage; are confidential to those customers or contain information that is confidential to those customers. The Company has no authority or permission to disclose the confidential information of those customers, and it would be unduly burdensome to require them to try to obtain such permission. Further, producing monthly bills and/or monthly information from a subset of the Company's customers, which make up varying portions of five of the Company's rate schedules (i.e. IP-Trans, IP-Pri, LGS-Sec, LGS-Pri, and PS-All E), will not provide any more meaningful information than annual data, and would be unduly burdensome to provide (e.g. 25 customers times 12 months times 7 years equals 2,100 monthly delivered kWh data points) even assuming it were available from the Company's books and records. Correspondence back to 2009 will not provide any additional historical information than can be obtained from annual information.

Subject to and without waiving these objections, the Company states as follows: CAPD 1-25, Confidential Attachment 1, shows the annual kWh consumption of the 25 customers identified in Staff Informal 1-27 for calendar years 2013 through 2015, the years for which the information is available from the Company's billing system. This confidential information is being provided, subject to the protective order, to the TRA and the Consumer Advocate and Protection Division of the Tennessee Attorney General's office only, as it may contain information that could be

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Response CPAD 1-025: (continued)

used by competitors of one or more of the identified customers, including other parties represented in this case. As of February 19, 2016, the Company represents that it has not had any communications with the 25 identified customers which would lead the Company to expect material changes to those customers' historic electric usage through 2016.

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Data Request CPAD 1-072:

Please provide the following for each Company employee position during the 2014 test year and, separately, during 2015 that experienced a change of incumbent:

- (a) Position title;
- (b) Employee replaced;
- (c) Annual salary of replaced employee;
- (d) Replacement employee;
- (e) Annual salary of replacement employee; and
- (f) Date of replacement.

CATEGORY: Operating Expenses.

Response CPAD 1-072:

The requested information is confidential and is being provided pursuant to the protective order. Please see response to CPAD 1-072 Confidential Attachment 1 on the enclosed confidential CD. The information being provided is confidential to those employees and non-redacted copies will only be provided to Staff and the Consumer Advocate and Protection Division of the Tennessee Attorney General's office.

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Data Request CPAD 1-131:

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

CATEGORY: General.

Response CPAD 1-131:

The Company objects to this request to the extent that it is overly broad, unduly burdensome, and not reasonably calculated to lead to the discovery of admissible evidence. The Company further object on the ground that it would be unduly burdensome to produce "all studies, documents, presentations, and other materials referenced in the [KgPCo Board of Directors' meeting] minutes" and/or "all minutes (and studies, documents, presentations, and other materials referenced in the minutes) of Board committee meetings." Without waiving these objections, the Company states as follows:

The minutes of KgPCo's Board of Directors' meetings held since January 1, 2014, including studies, documents, presentations, and other materials referenced in those minutes, are confidential, in some cases, highly sensitive, and may contain communications and documents protected by attorney-client privilege and/or the attorney work product doctrine. The KgPCo Board of Directors does not have Committees that produce minutes. Documents referenced in the requested KgPCo Board minutes may not have been submitted to the Board, and may not have even been in existence at the time, as it is apparent from the minutes themselves. The Company has not endeavored to locate any of these documents as they are not identified with any specificity. The capital and lease requisitions are attached to the minutes. While the minutes indicate that certain statements of financial condition and exhibits were also submitted to the board, no such statements or exhibits were attached to the official minutes of the board.

See CPAD 1-131 Confidential Attachment 1 for the KgPCo Board of Directors' meeting minutes for 2014. See CPAD 1-131 Confidential Attachment 2 for the KgPCo Board of Directors' meeting minutes for 2015. These documents are being provided pursuant to the protective order.