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**Respond to:**  
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SINCE 1916

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KPOW.92585

March 23, 2016

**VIA EMAIL & 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

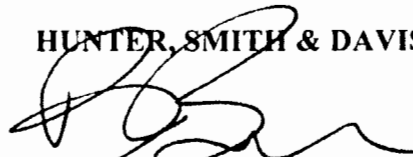
Dear Chairman Hilliard:

Pursuant to the Hearing Officer's Order of March 17, 2016, we are supplying additional responses to Discovery Requests 1, 6, 7, 8, 9, 10, 11, 12, 13, 14, 23, 25, 32, 42, 54, 57, 68, 69, 76, 79, 130 and 159.

The Company's additional responses may be in the form of a disk, thumb drive, and/or paper documents. Should there be any questions, please contact the writer.

Very sincerely yours,

HUNTER, SMITH & DAVIS, LLP



William C. Bovender

Enclosures

Sharla Dillon, Docket Manager

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March 23, 2016

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 B. Harvey, Esq.

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 additional Responses to the Consumer Advocate and Protective Division Discovery Requests Nos. 1, 6, 7, 8, 9, 10, 11, 12, 13, 14, 23, 25, 32, 42, 54, 57, 68, 69, 76, 79, 130 and 159, 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 additional Responses to the Consumer Advocate and Protective Division Discovery Requests Nos. 1, 6, 7, 8, 9, 10, 11, 12, 13, 14, 23, 25, 32, 42, 54, 57, 68, 69, 76, 79, 130 and 159, 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 additional Responses to the Consumer Advocate and Protective Division Discovery Requests Nos. 1, 6, 7, 8, 9, 10, 11, 12, 13, 14, 23, 25, 32, 42, 54, 57, 68, 69, 76, 79, 130 and 159, 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 additional Responses to the Consumer Advocate and Protective Division Discovery Requests Nos. 1, 6, 7, 8, 9, 10, 11, 12, 13, 14, 23, 25, 32, 42, 54, 57, 68, 69, 76, 79, 130 and 159, 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 23<sup>rd</sup> of March, 2016.

Judy Lynn Bohon  
Notary Public

My Commission Expires:

March 31, 2019



## CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and exact copy of the foregoing **ADDITIONAL RESPONSES TO THE CONSUMER ADVOCATE AND PROTECTIVE DIVISION DISCOVERY REQUESTS NOS. 1, 6, 7, 8, 9, 10, 11, 12, 13, 14, 23, 25, 32, 42, 54, 57, 68, 69, 76, 79, 130 and 159**, has been served upon the following by emailing a true and accurate copy on this the 23<sup>rd</sup> day of March, 2016:

Monica L. Smith-Ashford, Counsel  
Tennessee Regulatory Authority  
502 Deaderick Street, 4th Floor  
Nashville, TN 37243  
*Email: [monica.smith-ashford@tn.gov](mailto:monica.smith-ashford@tn.gov)*

David Foster, Chief - Utilities Division  
Tennessee Regulatory Authority  
502 Deaderick Street, 4th Floor  
Nashville, TN 37243  
*Email: [David.Foster@tn.gov](mailto:David.Foster@tn.gov)*

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Assistant Attorney General  
Consumer Advocate and Protection Division  
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*Counsel for Energy Freedom Coalition of America, LLC*

HUNTER, SMITH & DAVIS, LLP



William C. Bovender

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**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.

**Supplemental Response 3/23/16:**

Per the Hearing Examiner's Ruling on 3/17/16, the Company is providing the following response: Please refer to the Company's response to CPAD 1-054 for the Accounting Policies. There are no other policies.

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**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.

**Supplemental Response 3/23/2016**

Per the Hearing Examiner's ruling on 3/17/2016, please see CPAD 1-006 Supplemental Attachments 2-85, on the enclosed CD, for monthly plant in service detail for the requested period.

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**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.

**Supplemental Response 3/23/2016**

Per the Hearing Examiner's ruling on 3/17/2016, please see CPAD 1-007 Supplemental Attachments 1 through 84, on the enclosed CD, for monthly lease plant in service detail for the requested period.

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**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 Kingsfort 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.

**Supplemental Response 3/23/2016:**

Per the Hearing Examiner's ruling on 3/17/2016, please see CPAD 1-008 Supplemental Attachment 2 for reconciliations for the fiscal years 2009 through 2015.



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**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:

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

$\beta_{\text{CDD}}$  and  $\beta_{\text{HDD}}$  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.  $\text{CDD}_t$  and  $\text{NCDD}_t$  are the actual and normal cooling degree days for month  $t$ .  $\text{HDD}_t$  and  $\text{NHDD}_t$  are the actual and normal heating degree days for month  $t$ .  $\text{Customers}_t$  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).

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**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".

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**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.

**Supplemental Response 3/23/2016:**

Per the Hearing Examiner's Ruling on 3/17/2016, the Company provides CPAD 1-9 Attachment 1 on the enclosed CD.

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**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.

**Supplemental Response 3/23/2016:**

See the Company's response to CPAD 1-009.

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**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.

**Supplemental Response 3/23/2016:**

See the Company's response to CPAD 1-009.

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**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.

**Supplemental Response 3/23/2016:**

See the Company's response to CPAD 1-009.

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**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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**Response CPAD 1-013: (continued)**

**Supplemental Response 3/23/2016:**

Per the Hearing Examiner's Ruling on 3/17/2016, the Company provides the following on the enclosed CD.

CPAD 1-013 Attachment 2 (CS) - w Notes.xlsm  
CPAD 1.013 Attachment 13 (CPDEM) - w Notes.xlsm  
Excel Model Documentation\_v 1.1.doc  
KgpCo\_loss\_factors\_for\_reg\_pricing\_2012.xls  
APCO-Kingsport 2012 Loss Analysis\_final.pdf  
AEP East Load Data Report - 12-14.xls

NOTE: The CPAD 1-013 Attachment 2 (CS) - w Notes.xlsm file pertains to the Church Service class. Each class has an identical file. Therefore notes were only incorporated into this file as they would be identical for each of the other 11 class files.



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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 2<sup>nd</sup> 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 3<sup>rd</sup> tab labeled 'Weather by Rate' is the summary allocation of the weather kWh impacts by rate code. The 4<sup>th</sup> 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.

**Supplemental Response 3/23/2016:**

Per the Hearing Examiner's Ruling on 3/17/2016, the Company provides CPAD 1-14 Attachment 1 on the enclosed CD.

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**Data Request CPAD 1-023:**

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

CATEGORY: Revenue.

**Response CPAD 1-023:**

The Company objects to this question on the basis that it requests materials related to Street Lighting, which is not included in Case No. 16-00001 and is non-jurisdictional.

**Supplemental Response 3/23/2016**

Per the Hearing Examiner's Ruling on 3/17/16, the Company is providing the following response:

The Company has not located a copy of a contract. It will be provided if one is found.

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**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 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

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**Response CPAD 1-025: (continued)**

any communications with the 25 identified customers which would lead the Company to expect material changes to those customers' historic electric usage through 2016.

**Supplemental Response 3/23/2016:**

Per the Hearing Examiner's Ruling on 3/17/2016, the Company is providing the following:

- (a) Please refer to CPAD 1-025 (a) Confidential Supplemental Attachment 1. This confidential information is being provided subject to the protective order.
- (b) Please refer to CPAD 1-025 (b) Confidential Attachment 1. This confidential information is being provided subject to the protective order.
- (c) The Company is providing the currently available monthly kWh for the years of 2013 through 2015 for the 25 largest customer in the document titled CPAD 1-025 (c) Confidential Supplemental Attachment 1. This confidential information is being provided subject to the protective order.
- (d) The Company is able to provide images of actual customer bills for two of the largest 25 customers for the time period requested. For the remaining 23 largest customers, the Company is able to provide images of actual customer bills for the months of February or March through December 2015. For prior months, the Company is able to provide individual customer bill information. See CPAD 1-025 (d) Supplemental Confidential Attachment 1 and CPAD 1-025 (d) Supplemental Confidential Attachment 2. This confidential information is being provided subject to the protective order.

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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.

**Supplemental Response 3/23/2016:**

Per the Hearing Examiner's ruling on 3/17/2016, please see CPAD 1-032 Supplemental Attachments 2-85, on the enclosed CD, for monthly accumulated depreciation detail for the requested period.

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**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.

**Supplemental Response 3/23/2016**

Per the Hearing Examiner's ruling on 3/17/2016, please see CPAD 1-042 Supplemental Attachment 1 for Contributions in Aid of Construction received by KgPCo by month for the requested period that were posted to construction or retirement work orders and recorded in Account 1070001, Construction Work in Progress, or Account 1080005, Retirement Work in Progress, as applicable.

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**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.

**Supplemental Response 3/23/16:**

Per the Hearing Examiner's Ruling on 3/17/16, the Company is providing the following documents:

CPAD 1-54 Attachment 1	CPAD 1-54 Attachment 47
CPAD 1-54 Attachment 6	CPAD 1-54 Attachment 50
CPAD 1-54 Attachment 7	CPAD 1-54 Attachment 57
CPAD 1-54 Attachment 8	CPAD 1-54 Attachment 61
CPAD 1-54 Attachment 10	CPAD 1-54 Attachment 62
CPAD 1-54 Attachment 18	CPAD 1-54 Attachment 79
CPAD 1-54 Attachment 23	CPAD 1-54 Attachment 80
CPAD 1-54 Attachment 24	CPAD 1-54 Attachment 81
CPAD 1-54 Attachment 33	CPAD 1-54 Attachment 82
CPAD 1-54 Attachment 42	CPAD 1-54 Attachment 83
CPAD 1-54 Attachment 44	CPAD 1-54 Attachment 84
CPAD 1-54 Attachment 45	CPAD 1-54 Attachment 85
CPAD 1-54 Attachment 46	CPAD 1-54 Attachment 86

These following documents are being provided pursuant to the protective order:

CPAD 1-54 Confidential Attachment 2	CPAD 1-54 Confidential Attachment 16
CPAD 1-54 Confidential Attachment 3	CPAD 1-54 Confidential Attachment 17
CPAD 1-54 Confidential Attachment 4	CPAD 1-54 Confidential Attachment 19
CPAD 1-54 Confidential Attachment 5	CPAD 1-54 Confidential Attachment 20
CPAD 1-54 Confidential Attachment 9	CPAD 1-54 Confidential Attachment 21
CPAD 1-54 Confidential Attachment 11	CPAD 1-54 Confidential Attachment 22
CPAD 1-54 Confidential Attachment 12	CPAD 1-54 Confidential Attachment 25
CPAD 1-54 Confidential Attachment 13	CPAD 1-54 Confidential Attachment 26
CPAD 1-54 Confidential Attachment 14	CPAD 1-54 Confidential Attachment 27
CPAD 1-54 Confidential Attachment 15	CPAD 1-54 Confidential Attachment 28



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**CPAD 1-054 Supplemental Response 3/23/16: (continued)**

CPAD 1-54 Confidential Attachment 29  
CPAD 1-54 Confidential Attachment 30  
CPAD 1-54 Confidential Attachment 31  
CPAD 1-54 Confidential Attachment 32  
CPAD 1-54 Confidential Attachment 34  
CPAD 1-54 Confidential Attachment 35  
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CPAD 1-54 Confidential Attachment 38  
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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.

**Supplemental response 3/23/2016:**

Per the Hearing Examiner's ruling of 3/17/2016, please see CPAD 1-057 Supplemental Attachment 2 for the excel version of the Capital variance reports, by month, for the years 2012, 2013, 2014, 2015, and 2016 January, with the exceptions of Jan 2012 and Jan 2013 where the budget had not been finalized in time to do a January comparison for those years and, so, were not done.

CPAD 1-057 Supplemental Attachment 3 is the excel version of the O&M variance reports, by month, for the same periods, also missing January 2012 and 2013 for the same reason. The PDF file previously sent mistakenly included KENTUCKY Power's variance report (pg 81) in January 2014 instead of Kingsport's. The Kingsport report for that month is included in this excel file.

CPAD 1-057 Supplemental Attachment 4 contains the text explanations of O&M variances for the individual months of 2012 where the report was presented on 2 pages where one page was the table of numbers and the second page contained the explanations. The explanations were prepared in PowerPoint, not in excel.

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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.

**Supplemental Response 3/23/2016:**

Per the Hearing Examiner's ruling on 3/17/2016, please see CPAD 1-076 Supplemental Attachment 1 for Kingsport's annual employee benefit costs by account for 2012 through 2015.

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**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

<b>Year</b>	<b>Kingsport</b>	<b>AEP Consolidated</b>	
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	

<b>Year</b>	<b>Kingsport</b>	<b>AEP Consolidated</b>	<b>Service Cost</b>
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.

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**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.

**Supplemental Response 3/23/2016:**

Per the Hearing Examiner's ruling on 3/17/2016, please see CPAD 1-079 Supplemental Attachments 1 and 2, for pension costs and contributions, respectively, that the Company could locate for the 1990 thru 2009 period. Pension costs and contributions for 2010 thru 2015 were provided in the Company's original response to CPAD 1-079.

(b) The Company was not able to locate any additional policies or analyses related to pension funding payments.

(c) & (d) There were no presentations to the AEP or Kingsport board or board committees for each discretionary pension funding payment.

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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.

**Supplemental Response 3/23/2016:**

- b. Per the Hearing Examiner's ruling on 3/17/2016, please see CPAD 1-159 Supplemental Attachment 2 for the pro forma calculations showing the hypothetical monthly bill amounts for residential customers under Tariff N.M.S.-2. The Company reiterates that it is not proposing to migrate customers currently taking service under Tariff N.M.S. to Tariff N.M.S.-2.