

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@hdsdlaw.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  
Karen L. Kane  
Teresa Mahan Lesnak \*  
Michael A. Eastridge \*  
Jeannette Smith Tysinger\*

\* Of Counsel

[www.hdsdlaw.com](http://www.hdsdlaw.com)

KPOW.92585

April 28, 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:

As a result of discussions with the Consumer Protection and Advocate Division ("CPAD"), the Company has agreed to clarify its response to certain requests, and is, or will be, providing additional information in response to certain requests in the CPAD's Second Round of Discovery Requests. Although not all of the additional information and documents the Company has agreed to provide were requested in the CPAD's Second Round of Discovery Requests, the Company is or will be providing the additional data as a show of good faith and in an effort to avoid discovery disputes.

The Company is providing the following clarification related to its responses to CPAD 2-1, 2-2, 2-3, 2-5, 2-6, 2-7, 2-10, 2-11, 2-12, 2-13, 2-14, 2-15, and 2-16, all of which referred to "raw" data provided to the CPAD, in Excel format, on March 16, 2016, following discussions attempting to resolve the CPAD's Motion to Compel: the Company confirms that the monthly "raw" data provided on March 16, 2016, is an Excel version of the Company's monthly Billed Tariff Summaries provided in response to CPAD 1-20, Attachment 1. The raw data that the Company provided is the same data provided in CPAD 1-20 Attachment 1, except presented differently. When the information was described as "raw" data in the Company's responses to CPAD 2-1, 2-2, 2-3, 2-5, 2-6, 2-7, 2-10, 2-11, 2-12 2-13, 2-14, 2-15, and 2-16, the Company was indicating that the tariff summary data in Excel format is not the format that this information is generally maintained by the Company. This clarification does not require supplementation of the Company's discovery responses.

Sharla Dillon, Docket Manager  
Page 2  
April 29, 2016

With respect to the Company's responses to CPAD 2-020 through 2-038, the Company has agreed to provide additional information, even if that information was not technically requested in the discovery request at issue. The Company's supplemental response to CPAD 2-20, being filed herewith, contains the type of information that the Company has agreed to provide with regard to each tariff referenced in CPAD 2-21 through 2-38. The Company has agreed to provide that information to the CPAD, by close of business on May 4, 2016. The company will also file supplemental responses to these discovery requests in due course.

Accordingly, Kingsport's Supplemental Responses to CPAD 2-001, 2-020, 2-040, 2-041, 2-043, 2-067, 2-072, 2-094, and 2-099, are being sent for filing via overnight delivery. Supplemental Responses to CPAD 2-021 through 2-038 will be forthcoming.

Should there be any questions, please contact the writer.

Very sincerely yours,

**HUNTER, SMITH & DAVIS, LLP**

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

Joseph B. Haney

Enclosures

c: Monica L. Smith-Ashford, Esq.  
David Foster  
Charles Welch, Jr., Esq.  
Henry Walker, Esq.  
Thad B. Culley, Esq.  
Michael J. Quinan, Esq.  
Wayne Irvin, Esq.  
James R. Bacha, Esq.  
Hector Garcia, Esq.  
William Castle  
Larry Foust  
William C. Bovender, Esq.

**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 (Second Set)  
To Kingsport Power Company**

**Data Request CPAD 2-001:**

Refer to the tariff summary provided in response to CPAD 1-16 (Compelled). Please clarify the "Sales of ELE Amt" column on this schedule by providing a definition and sample calculation for Revenue Class 10 and Tariff Code 15 for January 2009. For example, January 2009 for Revenue Class 10 and Tariff Code 15 shows KWH of 15,131,988 and Bill Counts of 7,723. When these determinants are multiplied by the current tariff rates of \$0.04873 per KWH and \$7.30 per customer, it produces \$793,759.68; when the fuel amount of \$156,201.65 is added it produces \$949,961.33. However, the "Sales of ELE Amt" for January 2009 shows \$1,059,836.61 on the spreadsheet included in the response to CAPD DR 1-16, for a difference of \$109,875.28. Please reconcile and explain this difference of \$109,875.28.

**Response CPAD 2-001:**

The Company assumes that the request is referring to the raw billing data, for the period January 2009 to December 2015, which the Company provided to the CPAD in Excel format, on March 16, 2016, following discussions attempting to resolve its motion to compel, as the Company was not compelled to respond to CPAD 1-16. Please note that this information was "raw" data, rather than the Company's "tariff summary," which is a monthly summary business record in pdf format.

Please refer to CPAD 2-001 Attachment 1, which is a reconciliation of the items that comprise the January 2009 revenues of \$1,059,836.61 for revenue class and tariff code 010-015. Differences in the amounts shown in CPAD 2-001, Attachment 1, and the amounts calculated in this request are due to the Company's Purchased Power Adjustment Rider and Prompt Payment Discount, as well as rounding, partial month billings, billing corrections, and/or out of period billing corrections, which is why the Company relies upon its monthly summary business records as opposed to "raw" data.

**Supplemental Response:**

As a result of discussions with the CPAD the Company is supplementing its response with CPAD 2-1 Supplemental Attachment 1 which provides details of both January and February 2009 reconciliations of revenue class 010 and Tariff Code 015 to sales of electricity. Because of the PPAR rate change in January, February is a more representative reconciliation.

In addition, the monthly fuel clause for the period of January 2009 through December 2015 is reflected in CPAD 1-017, Attachment 1. Purchased Power Adjustment Riders for the period are reflected in CPAD 1-017, Attachment 2. Tennessee Inspection Fee Riders for the period are reflected in CPAD 1-017, Attachment 3. Storm Damage Riders for the period are reflected in CPAD 1-017, Attachment 4. The Purchased Power Adjustment Rider in effect prior to January 2009 is attached as CPAD 2-1 Supplemental Attachment 2.

**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 (Second Set)  
To Kingsport Power Company**

**Data Request CPAD 2-020:**

Refer to the Attachment provided in response to CPAD1-9 (Compelled). Specifically refer to the "RS" tab of this spreadsheet. Please provide the source and support for the billing determinants included in Column 1 of this spreadsheet.

**Response CPAD 2-020:**

Refer to Staff 1- 24, Attachment "Staff Informal 1-24 TAC - Workpaper 1 - KgPCo Tariff Ratio File.xlsx", tab "RS", under the heading "Adjusted Billing Determinants - After Ratio to Billed & Accrued". Note, the purchased power data is from the same section and sums data for the periods shown.

**Supplemental Response:**

As a result of discussions with the CPAD, the Company is providing CPAD 2-20 Supplemental Attachment 1. The source of this data is the Utilities International ("UI") software, which is used to aggregate data from the Company's billing system.

In addition, weather adjustment kWh from TRA Staff Informal 1-024 TAC – Workpaper 1 – KgPCo Tariff Ratio File.xlsx, Tab "RS", row 38, is found in TRA Staff Informal 1-024 DRB & TAC – Workpaper 1 – KgPCo Weather Impacts & Billing Determinants.xls, Tab "Weather by Rate".

Please note that in that tab, the rows for Rate 11 and Rate 15 will need to be added together to tie to the totals reflected on row 38.

For example for January 2014:

Rate 11	8,811
Rate 15	17,918,786
Total RS 011 + 015	17,927,597

In the above example, the impact of the January weather adjustment caused kWh to decrease. Therefore, in TRA Staff Informal 1-024 TAC – Workpaper 1 – KgPCo Tariff Ratio File.xlsx, Tab "RS", row 38, the amount is shown as a negative number.

**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 (Second Set)  
To Kingsport Power Company**

**Data Request CPAD 2-040:**

Refer to the Attachment provided in response to CPAD1-9 (Compelled). Specifically refer to the "SL" tab of this spreadsheet. Please provide the source and support for the billing determinants included in Column 1 of this spreadsheet.

**Response CPAD 2-040:**

Please refer to CPAD 2-040 Attachment 1 for the requested information.

**Supplemental Response:**

As a result of discussions with the CPAD, the Company states as follows: data for years other than the test year was not requested in CPAD 2-40, is not available in Excel format or other format, and will likely not be retrievable from the Company's archived billing information, even after that information is loaded into the current billing system later this month to respond to CPAD 2-17. However, as indicated in its response to CPAD 2-17, the Company will be providing street light bills for the years 2009 through 2015 (from four accounts), which documents will include the street light billing determinants for that seven-year period.

**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 (Second Set)  
To Kingsport Power Company**

**Data Request CPAD 2-041:**

Refer to the Attachment provided in response to CPAD1 -9 (Compelled). Specifically refer to the "SL" tab of this spreadsheet. Please provide the source and support for the "Current Revenue" included on this spreadsheet.

**Response CPAD 2-041:**

Please refer to CPAD 2-041 Attachments 1 and 2 for the requested information. In the attachments, the column titled "Sum of ST\_LT\_BIILL\_AT" refers to the amount of street light revenue by type of street light.

**Supplemental Response:**

As a result of discussions with the CPAD, the Company is providing the attached Excel spreadsheet, CPAD 2-041 Supplemental Attachment 1.xlsx, that contains the data supporting the Company's pivot tables for SL revenue for the test year 2014. Data for other years was not requested in CPAD 2-41, is not available in Excel format or other format, and will likely not be retrievable from the Company's archived billing information, even after that information is loaded into the current billing system later this month to respond to CPAD 2-17.

**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 (Second Set)  
To Kingsport Power Company**

**Data Request CPAD 2-043:**

Refer to the Attachment provided in response to CPAD1-14 (Compelled). Specifically refer to the "Weather" tab of this spreadsheet. Please provide the source and support for the data included on this spreadsheet. If the supporting information has not been previously supplied, please include a copy with your response.

**Response CPAD 2-043:**

As explained in the Company's response to CPAD 1-14 parts a) and b), the 'Weather' tab contains the monthly weather kWh impacts by revenue class. The attachment from that response, 'CPAD 1-14 Weather Impact Computations.xls,' replicates the weather impact calculations in an Excel spreadsheet format and ties back to the weather impacts included in the same 'Weather' tab of CPAD 1-14 Attachment 1. The response to CPAD 1-9 provides a narrative description of the methodology and formulas used in the Company's weather normalization process and the attachment for CPAD 1-14 provides the actual data used to compute the weather impacts (i.e., weather coefficients, actual degree days, normal degree days, actual customer counts).

**Supplemental Response:**

As a result of discussions with the CPAD, see CPAD 2-43, Supplemental Attachment 1, for the measure of fit statistics produced by the model, SAS ARIMA, used by the Company. The ARIMA model does not use an R-squared statistic. Rather, the model uses AIC, SBC and Chi-Square statistics for measure of fit.

**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 (Second Set)  
To Kingsport Power Company**

**Data Request CPAD 2-067:**

Refer to the response to CAPD 1- CAPD 1-005 Attachment 1 (December 31, 2015 Trial Balance) and Attachment 13 (December 31, 2014) Trial Balance. Provide a copy of the Public Opinion Surveys for which cost was incurred by KgPCo in account 9301012 in 2014 and 2015.

**Response CPAD 2-067:**

Please see CPAD 2-67 Confidential Attachments 1 and 2 for the J.D. Power and Associates Electric Utility Residential Customer Satisfaction Study surveys done for the AEP system including Kingsport and for which Kingsport was allocated costs.

**Supplemental Response:**

Per further discussion with the CPAD, the Company is providing the survey results for 2014 and 2015 as CPAD 2-67, Supplemental CONFIDENTIAL Attachments 1-3. Because the Company's customers were surveyed as part of the Appalachian Power Company survey, CPAD 2-67, Supplemental CONFIDENTIAL Attachment 1 shows results broken down by state for each year, and CPAD 2-67, Supplemental CONFIDENTIAL Attachments 2-3 show the results of the 2014 and 2015 Appalachian Power Company surveys provided by J.D. Power. The attached survey results are CONFIDENTIAL and are being provided pursuant to the Protective Order entered in this matter.



**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 (Second Set)  
To Kingsport Power Company**

**Data Request CPAD 2-072:**

Refer to the response to CPAD 1-105(e). Please provide aviation costs billed to KgPCo from the AEP Service Corporation by account for 2015.

**Response CPAD 2-072:**

The following table provides the amount of aviation expenses included in cost of service, by account, as billed from the AEP Service Corporation to KgPCo for 2015.

FERC Account ▾	Total
5600	1,186.08
5660	148.55
9210	10,875.69
9302	108.05
Grand Total	12,318.37

**Supplemental Response:**

Per further discussions with the CPAD, the Company was informed that its original response inadvertently omitted the table of aviation expenses. This supplemental response includes the table.

**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 (Second Set)  
To Kingsport Power Company**

**Data Request CPAD 2-094:**

Refer to the Direct Testimony of A. Wayne Allen at pages 7-9 and 12 and to the Company's details for Adjustments OM-17 through OM-25 and OT-31 through OT-33.

- a) Identify KgPCo's 2015 actual recorded wages and salaries by account.
- b) When did the 2015 merit increases become effective?
- c) Are the 2015 merit increases fully reflected in KgPCo's recorded December 2015 salaries and wages?
  - i) If not, explain fully why not.
  - ii) If so, identify and provide KgPCo's recorded December 2015 salaries and wages by account.
- d) Identify the effective dates and percentage increases for KgPCo's anticipated 2016 merit increases.
- e) Are the 2016 merit increases fully reflected in KgPCo's recorded March 2016 salaries and wages?
  - i) If not, explain fully why not.
  - ii) If so, identify and provide KgPCo's recorded March 2016 salaries and wages by account.
- f) Identify the effective dates and percentage increases for KgPCo's anticipated 2017 merit increases.
- g) Identify KgPCo's actual 2015 recorded matching employer savings plan contributions by account.
- h) Identify KgPCo's actual 2015 recorded OPEB expense by account.
- i) Identify KgPCo's projected OPEB expense for 2016 and 2017 by account.
- j) Identify and provide the supporting documents, including but not limited to actuarial reports, for the projected 2016 and 2017 OPEB expense.
- k) Identify KgPCo's actual 2015 recorded Pension expense by account.
- l) Identify KgPCo's projected Pension expense for 2016 and 2017 by account.
- m) Identify and provide the supporting documents, including but not limited to actuarial reports, for the projected 2016 and 2017 Pension expense.
- n) Identify KgPCo's actual 2015 recorded Group Medical Insurance expense by account.
- o) Identify KgPCo's projected Group Medical Insurance expense for 2016 and 2017 by account.
- p) Identify KgPCo's actual 2015 recorded Group Long-Term Disability Insurance expense by account.
- q) Identify KgPCo's projected Group Long-Term Disability Insurance expense for 2016 and 2017 by account.
- r) Identify KgPCo's actual 2015 recorded Group Dental Insurance expense by account.
- s) Identify KgPCo's projected Group Dental Insurance expense for 2016 and 2017 by account.

**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 (Second Set)  
To Kingsport Power Company**

**Data Request CPAD 2-094: (continued)**

- t) Identify the number of participating employees in each of the following benefit plans as of each date: (1) January 1, 2016, (2) March 31, 2016, and (3) as projected for January 1, 2017:
  - i) Group medical insurance
  - ii) Group long-term disability insurance
  - iii) Group dental insurance
- u) Identify the 2015 recorded amounts by account for each of the following components of other taxes:
  - i) Employer's FICA.
  - ii) Employer's Medicare.
- v) Identify the total tax base used for the 2015 recorded amounts for each of the following:
  - i) Employer's FICA.
  - ii) Employer's Medicare.
- w) Identify the projected tax base projected for each year 2016 and 2017 for each of the following:
  - i) Employer's FICA.
  - ii) Employer's Medicare.

**Response CPAD 2-094:**

- a) See CPAD 2-94 a Attachment 1 for KgPCo's actual 2015 wages and salaries by FERC Account.
- b) The 2015 non-union merit increases became effective on April 1, 2015. The 2015 union increases became effective per the terms of the contract.
- c) 2015 merit increases are reflected in KgPCo's wages and salaries as they become effective. See CPAD 2-94 c Attachment 1 for KgPCo's actual December 2015 wages and salaries by FERC Account.
- d) KgPCo non-union merit increases anticipated a percentage of 3% and effective date of April 1, 2016. 2016 union increases are effective on the contract negotiated date.
- e) 2016 merit increases are not fully reflected in KgPCo's March 2016 salaries and wages. Non-union increases are effective April 1 of each year.
- f) The merit increases and effective dates for 2017 are anticipated to be similar to 2016, but will not be determined until later in 2016.

**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 (Second Set)  
To Kingsport Power Company**

**Response CPAD 2-094: (continued)**

- g) KgPCo's total 2015 savings plan contributions cost of \$171,623.30 was recorded in account 9260027.
- h) KgPCo's total 2015 OPEB cost of (\$330,262.62) was recorded in accounts 9260021, (\$372,976.62) and 9260057, \$42,714.00.
- i) KgPCo's projected OPEB expense for the Distribution function for 2016 is (\$184,000) and in 2017 the amount is (\$190,000), all in account 9260021. Transmission employees are considered service corporation employees.
- j) See CPAD 2-94 j Attachment 1 for supporting information on tab "TW Total OPEB" from the actuarial report from Towers Watson.
- k) KgPCo's total 2015 Pension cost of \$387,696.60 was recorded in account 9260003.
- l) KgPCo's projected Pension expense for the Distribution function for 2016 is \$294,000 and in 2017 the amount is \$226,000, all in account 9260003. Transmission employees are considered service corporation employees.
- m) See CPAD 2-94 j Attachment 1 for supporting information on tab "TW Qualified Forecast" from the actuarial report from Towers Watson.
- n) KgPCo's total 2015 Group Medical Insurance cost of \$567,822.35 was recorded in account 9260005.
- o) KgPCo's projected Group Medical Insurance expense for 2016 is \$553,155 and in 2017 the amount is \$587,727, all in account 9260005.
- p) KgPCo's total 2015 Group Long-Term Disability Insurance cost of \$1,676.16 was recorded in account 9260007.
- q) KgPCo's projected Group Long-Term Disability Insurance expense for 2016 is \$10,582 and in 2017 the amount is \$20,313, all in account 9260007.
- r) KgPCo's total 2015 Group Dental Insurance cost of \$28,726.88 was recorded in account 9260009.
- s) KgPCo's projected Group Dental Insurance expense for 2016 is \$30,412 and in 2017 the amount is \$31,628, all in account 9260009.

**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 (Second Set)  
To Kingsport Power Company**

**Response CPAD 2-094: (continued)**

t) The number of participating employees for benefits is not projected. The actual number of participating employees are:

i) Group medical insurance

a. 1/1/16 49

b. 3/31/16 49

ii) Group long-term disability insurance

a. 1/1/16 53

b. 3/31/16 53

iii) Group dental insurance

a. 1/1/16 51

b. 3/31/16 51

u) The 2015 recorded amounts in FERC account 4081 are:

i) Employer's FICA. \$262,066.29

ii) Employer's Medicare. 61,525.97

v) The total tax base for the 2015 recorded amounts are:

i) Employer's FICA. \$4,088,838.55

ii) Employer's Medicare. 4,105,132.24

w) The projected tax base for both FICA and Medicare is:

	2016	2017
ST Labor	3,279,231	3,415,449
OT Labor	283,351	292,611
Incentives	311,751	321,991
<b>Total</b>	<b>\$3,874,333</b>	<b>\$4,030,051</b>

**Supplemental Response:**

Per further discussions with the CPAD, the Company was informed that its original response inadvertently omitted the response to part w). This supplemental response includes that response.

**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 (Second Set)  
To Kingsport Power Company**

**Data Request CPAD 2-099:**

Refer to the Direct Testimony of James A. Cash and to KgPCo Exhibit No. 1 (JAC).

- a) Are the "Original Cost" amounts in column III of KgPCo Exhibit No. 1 (JAC) page 15 of 17 all based on December 31, 2014 recorded amounts? If not, explain fully why not and identify any amounts in column III which are not based on December 31, 2014 recorded amounts.
- b) Please provide comparable December 31, 2015 recorded amounts for each Plant account listed on KgPCo Exhibit No. 1 (JAC) page 15 of 17.
- c) Are the "Accumulated Depreciation" amounts in column VII of KgPCo Exhibit No. 1 (JAC) page 15 of 17 all based on December 31, 2014 recorded amounts? If not, explain fully why not and identify any amounts in column VII which are not based on December 31, 2014 recorded amounts.
- d) Please provide comparable December 31, 2015 recorded amounts for each Accumulated Depreciation account listed on KgPCo Exhibit No. 1 (JAC) page 15 of 17 in column VII.
- e) Show in detail how the proposed 1.60 Net Salvage Ratio for account 364 was derived.
- f) Refer to KgPCo Exhibit No. 1 (JAC) page 17 of 17 - does that page show the net salvage ratio that is reflected in KgPCo's current depreciation rates for each plant account? If not, explain fully why not.
- g) Show in detail how each of the Existing Rates "Net Salvage Factor" percentages in column 6 on KgPCo Exhibit No. 1 (JAC) page 17 of 17 were derived.
- h) Show in detail how each of the Current Study Rates "Net Salvage Factor" percentages in column 11 on KgPCo Exhibit No. 1 (JAC) page 17 of 17 were derived.
- i) The "Note" on KgPCo Exhibit No. 1 (JAC) page 15 of 17 indicates that "it is the recommendation of this study to use the mortality curve, average service life and net salvage information selected for APCo."
  - i) Identify and provide the APCo source documents that were relied upon in the preparation of KgPCo Exhibit No. 1 (JAC).
  - ii) Identify and provide the current authorized depreciation rates for APCo that are being used by APCo in each APCo jurisdiction: (1) West Virginia, (2) Virginia, and (3) FERC.

**Response CPAD 2-099:**

- a) Yes.
- b) Please refer to CPAD 2-97.
- c) Yes.
- d) Please refer to CPAD 2-97.
- e) Please refer to TRA Staff Informal 1-24\_APCO Depr Study WPs and file TRA Staff Informal 1-24\_APCO Acct 361 to 373 Salv and Remove.xls.
- f) Yes.

**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 (Second Set)  
To Kingsport Power Company**

**Response CPAD 2-099: (continued)**

g) A depreciation study has not been prepared for Kingsport Power Company since 1983. The data used to prepare that study is not available. The depreciation rates currently being used by the Company, which were approved by the Tennessee Public Service Commission in Docket No. U-84-7308, included the net salvage factors shown in column 6 on KgPco Exhibit No. 1 (JAC) page 17 of 17.

h) Please refer to TRA Staff Informal 1-24\_APCO Depr Study WPs and files TRA Staff Informal 1-24\_APCO Acct 351 to 358 Salvg and Remove 2013.xls, TRA Staff Informal 1-24\_APCO Acct 361 to 373 Salvg and Remove.xls, and TRA Staff Informal 1-24\_APCO General Plant 390 to 398 Salvg and Remove.xls.

i)

i) Please refer to TRA Staff Informal 1-24\_APCO Depr Study WPs.zip.

ii) For APCo's current authorized depreciation rates, please see CPAD-2-99 Attachment 1. The current rates were approved in one of the following case or docket numbers.

**Virginia** - Approved in VA Case No. PUE 2011-00037 on Nov. 30, 2011 and were made effective on February 1, 2012.

**West Virginia** - Approved by PSC of WV Order dated May 26, 2015 in Case No. 14-1151-E-D and were made effective June 1, 2015.

**FERC** - Approved by FERC March 2, 1990 in Dockets ER90-132 and ER90-133.

**Supplemental Response:**

Upon further discussions with the CPAD, the Company was informed that CPAD 2-99 Attachment 1 was inadvertently omitted from the original response. This response includes CPAD 2-99 Attachment 1.