

STATE OF TENNESSEE

Office of the Attorney General



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August 5, 2016

David Foster, Chief  
Utilities Division  
c/o Ms. Sharla Dillion, Docket Manager  
Tennessee Regulatory Agency  
600 Deaderick Street, 4<sup>th</sup> Floor  
Nashville, Tennessee 37242-0001

RE: Tennessee Regulatory Authority ("TRA") Docket 16-00001 – *Petition of Kingsport Power Company d/b/a Appalachian Power ("KgPCo" or "Company") for a General Rate Case* – Responses to Data Requests of August 4 and 5, 2016

Dear Mr. Foster:

In response to your data request dated August 4, 2016, to the Consumer Advocate, the following responses are respectfully submitted:

- 1-1** Specify whether the Company would have a separate account for all revenue and expense transactions related to the FPPAR set forth in Original Sheet Number 2-13 of T.R.A Tariff Number 2. If yes, provide the USOA account number for the FPPAR.

**RESPONSE:**

The Company will record FPPAR revenues to Account 440, 442 and 445 subaccounts for retail sales. These revenues will also be separately tracked in the Company's billing system. FPPAR related costs will be recorded in two subaccounts of Account 555, one for fuel costs and the other for non-fuel purchased power costs.

Beginning with the implementation of the FPPAR, KgPCo will record the difference between monthly FPPAR costs and monthly FPPAR revenues as either a debit or credit to a new FPPAR specific Account 555 over/under-recovery subaccount with a corresponding debit/credit to Account 182.3/254 to track the cumulative over or under recovery of FPPAR costs.

Responsible Party: KgPCo

**1-2** Provide the anticipated date of the first FPPAR filing.

**RESPONSE:**

Subject to the TRA's approval of the Stipulation and Settlement Agreement, KgPCo will bill customers using the FPPAR rates shown on Tariff Sheet 2-13 (included in Attachment B) effective September 1, 2016. The Company anticipates filing the first update to the FPPAR in approximately 12 months.

Responsible Party: KgPCo

And in response to your data request dated August 5, 2016, to the Consumer Advocate and to counsel for KgPCo, the following response is respectfully submitted:

**2-1** According to Original Sheet Number 2-13, the Company will file at least annual information regarding the actual fuel and purchased power expenses and revenues collected under this Rider as well as any proposed adjustment to the Rider rates. The tariff also states that the rates will be designed to collect the approved level of fuel and purchased power expense, including any prior period over/under recovery balance and any refunds from the Company's wholesale power supplier. Is it your position/understanding that the rates contained in the annual filing are subject to Authority approval following a Staff audit?

**RESPONSE:**

Yes.

Responsible Parties: KgPCo and Consumer Advocate

We have enclosed an original and four copies of this response, along with an electronic version, to be filed in the above-referenced docket.

Please contact the undersigned or KgPCo's counsel with any further question or request.

Sincerely,



Wayne M. Irvin  
Assistant Attorney General  
615-532-5512

cc: All parties of record