

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

October 19, 2016

IN RE:

PETITION OF KINGSPORT POWER
COMPANY D/B/A AEP APPALACHIAN
POWER FOR A GENERAL RATE CASE

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DOCKET NO.
16-00001

ORDER APPROVING STIPULATION AND SETTLEMENT AGREEMENT

This matter came before Chairman David F. Jones, Vice Chairman Robin L. Morrison and Director Kenneth C. Hill of the Tennessee Regulatory Authority (the “Authority” or “TRA”), the voting panel assigned to this docket, during a hearing held on August 9, 2016, to hear and consider the *Stipulation and Settlement Agreement* (“*Settlement Agreement*”), which is attached as Exhibit A, and was filed on August 4, 2016 by Kingsport Power Company d/b/a AEP Appalachian Power (“KPC” or the “Company”), the Consumer Protection and Advocate Division of the Office of the Tennessee Attorney General (“Consumer Advocate”), the East Tennessee Energy Consumers, the Energy Freedom Coalition of America, the Alliance for Solar Choice, and the Tennessee Solar Energy Industries Association (collectively the “Parties”).

BACKGROUND AND PETITION

KPC is a public utility regulated by the Authority that provides electric service to approximately 47,000 customers in Tennessee.¹ Its principal office is located in Kingsport, Tennessee.² On January 4, 2016, the Company filed a Petition to increase rates, which initiated KPC’s first general rate case since 1992.³ The Petition requested Authority approval of a rate

¹ *Settlement Agreement*, p. 1 (August 4, 2016).

² *Id.*

³ Petition, p. 2 (January 4, 2016).

increase of \$12,118,173 annually.⁴ According to KPC, the proposed increase would provide a projected rate of return of 6.69% on an adjusted total rate base of approximately \$71.5 million, and a 10.66% rate return on common equity.⁵ The Company also submitted pre-filed testimony from several witnesses in support of its Petition.

During a regularly scheduled Authority Conference held on January 11, 2016, the voting panel voted unanimously to convene a contested case proceeding and appoint the Authority's General Counsel, or her designee, to act as Hearing Officer to prepare the matter for a hearing.⁶ The Consumer Advocate filed a *Petition to Intervene* on January 8, 2016, which was granted by the Hearing Officer on January 19, 2016. On February 3, 2016, East Tennessee Energy Consumers filed a Petition to Intervene. On February 4, 2016, the Alliance for Solar Choice, Tennessee Solar Energy Industries Association, and the Energy Freedom Coalition of America (collectively the "Solar Intervenors") filed Petitions to Intervene. On February 8, 2016, the Petitioner filed an *Objection to Petition to Intervene*, asserting that the Hearing Officer should limit the scope of intervention of the Solar Intervenors. Following several responses and replies filed by the parties, the Hearing Officer granted full intervention to the Solar Intervenors and East Tennessee Energy Consumers in an *Order on Status Conference* dated April 28, 2016.⁷

The Hearing Officer issued an *Order Establishing Procedural Schedule* on February 24, 2016. On May 6, 2016, the Solar Intervenors filed a *Joint Motion of Solar Intervenors to Sever and Dismiss Kingsport's Proposed Net Metering Tariff* ("Joint Motion"). After responsive briefs, oral argument was held on the *Joint Motion* during the regularly scheduled Authority Conference on June 20, 2016. On that same day, a majority of the voting panel voted to deny the *Joint Motion* and to allow the Company's proposed Net Metering Tariff to remain a part of the general rate case.⁸

⁴ *Id.* at 3.

⁵ *Id.*

⁶ *Order Convening a Contested Case and Appointing a Hearing Officer*, p. 1 (January 20, 2016).

⁷ *Order on Status Conference*, pp. 9-11 (April 28, 2016).

⁸ *Order Denying Joint Motion of Solar Intervenors to Sever and Dismiss Kingsport's Proposed Net Metering Tariff*, p. 11 (September 9, 2016).

The Consumer Advocate, East Tennessee Energy Consumers and the Solar Intervenors filed pre-filed witness testimony on June 24, 2016. The Company filed rebuttal testimony on July 27, 2016. Then, on August 4, 2016, the Parties filed the *Settlement Agreement*, as described below.

STIPULATION AND SETTLEMENT AGREEMENT

The *Settlement Agreement* provides for a revenue increase of \$8,618,085 annually, a test period of the twelve months ended December 31, 2015, and an attrition period of the twelve months ended December 31, 2017.⁹ For purposes of settling the docket, the Parties agree to a required net operating income of \$5,109,838 and a rate base of \$82,748,426.¹⁰ In addition, the Parties agree to an overall rate of return of 6.175% on rate base, which includes a return on common equity of 9.85%.¹¹

The additional stipulated revenues represent an average rate increase of 5.64%, with an agreement to allocate the percentage rate increase among customer classes as follows: residential class – 4.23%; industrial class – 2.82%; street lighting service – 13.71%; and all other customer classes – 11.28%.¹² The new rates would become effective for bills issued on or after September 1, 2016.¹³ The Parties agree that the rates reflected in the *Settlement Agreement* are fair and reasonable to all customer classes and will provide KPC with a reasonable opportunity to earn a fair rate of return on its investment.¹⁴

The *Settlement Agreement* states that the Parties agree and recommend to the Authority that the existing Fuel Clause Rider and Purchased Power Adjustment Rider be terminated as of August 31, 2016 and be replaced by the Fuel And Purchased Power Adjustment Rider (“FPPAR”), contained in Attachment B to the *Settlement Agreement*, commencing September 1, 2016.¹⁵ The Parties agree that the FPPAR rates shall be reviewed, recalculated, and implemented no less often

⁹ *Settlement Agreement*, pp. 3-4 (August 4, 2016).

¹⁰ *Id.* at 3.

¹¹ *Id.* at 3-4.

¹² *Id.* at Attachment A, Schedule 13.

¹³ *Id.* at 5.

¹⁴ *Id.* at 6.

¹⁵ *Id.* at 5-6.

than annually upon a filing by the Company with the Authority.¹⁶ The parties also agree to include street lighting revenues, expenses, and rate base in calculating the Company's revenue requirement.¹⁷ The *Settlement Agreement* adopted no replacement or revision to the Company's current Net Metering Service Rider.

The Agreement further stipulated that the Parties acknowledge and agree that the *Settlement Agreement* shall not be cited as precedent by any of the parties or any other entity in any unrelated or separate proceeding before the Authority. The Parties additionally clarified that the methodologies required under Tenn. Code Ann. § 65-5-103(d)(6) for an annual rate review mechanism were not adopted in the *Settlement Agreement*.

THE HEARING

The Hearing on the *Settlement Agreement* was held before the voting panel assigned to this docket on August 8, 2016, as noticed by the Authority on July 29, 2016. Participating in the Hearing were:

Kingsport Power Company d/b/a AEP Appalachian Power – William C. Bovender, Esq. and Joseph B. Harvey, Esq., Hunter, Smith & Davis, LLP, 1212 North Eastman Road, Post Office Box 3740, Kingsport, Tennessee 37664; James R. Bacha, Esq., American Electric Power Service Corporation, One Riverside Plaza, Post Office Box 16637, Columbus, Ohio, 43216; William K. Castle, Director of Regulatory Services for Virginia and Tennessee, Appalachian Power Company, Three James Center, 1051 East Cary Street, Suite 1100, Richmond, Virginia 23219-4029; and Isaac J. Webb, III, Manager – Distribution System, Kingsport Power Company, 420 Riverport Road, Kingsport, Tennessee 37660.

Consumer Protection and Advocate Division – Wayne M. Irvin, Esq. and Vance L. Broemel, Esq., Office of the Tennessee Attorney General, Consumer Protection and Advocate Division, Post Office Box 20207, Nashville, Tennessee 37202-0207.

Energy Freedom Coalition of America – Charles B. Welch, Jr., Esq., Farris Bobango, PLC, Bank of America Plaza, 414 Union Street, Suite 1105, Nashville, Tennessee 37219.

East Tennessee Energy Consumers – Michael J. Quinan, Esq., Christian & Barton, LLP, 909 East Main Street, Suite 1200, Richmond, Virginia 23219.

¹⁶ *Id.* at 6.

¹⁷ *Id.* at Attachment A, Schedule 12-13.

The Alliance for Solar Choice and Tennessee Solar Energy Industries Association – Henry M. Walker, Esq., Bradley Arant Boult Cummings LLP, 1600 Division Street, Suite 700, Nashville, Tennessee 37203.

During the Hearing, the *Settlement Agreement* was presented to the panel, and each of the Parties confirmed its agreement with it. Representatives of KPC and the Consumer Advocate presented a detailed summary of the *Settlement Agreement*, and the Parties answered questions posed by the panel. Members of the public were given an opportunity to offer comments, during which time Amanda Garcia presented comment on behalf of the Southern Environmental Law Center. Additionally, many written comments were submitted by members of the public and filed in the record in this case. Finally, a public comment session was held in Kingsport, Tennessee, on March 30 and 31, 2016, as noticed by the Authority on March 16, 2016, and many members of the public offered comment on the Petition at that time.

FINDINGS AND CONCLUSIONS

On August 9, 2016, following the Hearing and presentation of the proposed *Settlement Agreement*, the panel deliberated this matter. The panel found that, based on the evidence contained in the record and the agreed upon terms and calculations contained in the *Settlement Agreement*, the Company's overall revenue increase of \$8,618,085 is just and reasonable and provides the Company the necessary level of revenues to allow it to continue to provide safe and reliable service to its customers. The panel noted that the average residential customer rate will increase by 4.23% and that these rates will go into effect on customer bills rendered on and after September 1, 2016. The panel also noted that under the new Fuel and Purchased Power Adjustment Rider, the Company's fuel and purchased power costs will be trued-up to actual costs at least annually and will be subject to TRA staff audits for reasonableness and prudence. Accordingly, in light of the entire record, the panel voted to approve and adopt the *Settlement Agreement*.

IT IS THEREFORE ORDERED THAT:

1. The *Stipulation and Settlement Agreement*, filed on August 4, 2016 by the Parties in this case, a copy of which is attached to this Order as Exhibit A, is approved, adopted and incorporated in this Order as if fully rewritten herein.

2. Kingsport Power Company d/b/a AEP Appalachian Power will provide information regarding the actual fuel and purchased power costs and revenues collected under its Fuel and Purchased Power Adjustment Rider mechanism to the Authority at least annually. The Fuel and Purchased Power Adjustment Rider filings will be subject to audit by Authority staff for reasonableness and prudence.

3. The settlement of any issue pursuant to the *Stipulation and Settlement Agreement* shall not be cited by the Parties or any other entity as binding precedent in any other proceeding before the Authority or any court, state or federal.

4. Any person who is aggrieved by the Authority's decision in this matter may file a Petition for Reconsideration with the Authority within fifteen days from the date of this Order.

5. Any person who is aggrieved by the Authority's decision in this matter has the right to judicial review by filing a Petition for Review in the Tennessee Court of Appeals, Middle Section, within sixty days from the date of this Order.

Chairman David F. Jones, Vice Chairman Robin L. Morrison and Director Kenneth C. Hill concur.

ATTEST:



Earl R. Taylor, Executive Director

EXHIBIT A

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

IN RE:)	
)	
PETITION OF KINGSFORT POWER)	
COMPANY d/b/a AEP APPALACHIAN)	DOCKET NO. 16-00001
POWER GENERAL RATE CASE AND)	
MOTION FOR PROTECTIVE ORDER)	

STIPULATION AND SETTLEMENT AGREEMENT

For the sole purpose of settling this case, Tennessee Regulatory Authority (“TRA” or “Authority”) Docket No. 16-00001, Herbert H. Slatery III, Attorney General and Reporter for the State of Tennessee, by and through the Consumer Protection and Advocate Division of the Office of the Attorney General (“Consumer Advocate”), the East Tennessee Energy Consumers (“ETEC”), the Energy Freedom Coalition of America (“EFCA”), The Alliance for Solar Choice (“TASC”), the Tennessee Solar Energy Industries Association (“TenneSEIA”), and Kingsport Power Company d/b/a AEP Appalachian Power (“KgPCo” or “Utility”) respectfully submit this Stipulation and Settlement Agreement (“Settlement Agreement”). Subject to Authority approval, KgPCo, the Consumer Advocate, ETEC, EFCA, and TenneSEIA (individually, a “Party” and, collectively, the “Parties”) agree to the following:

BACKGROUND

1. KgPCo is a public utility regulated by the Authority and provides electric service to approximately 47,000 customers in Tennessee. All of KgPCo’s electric power requirements are purchased from Appalachian Power Company. The Utility’s principal office is located in Kingsport, Sullivan County, Tennessee.

2. The Tennessee public utility operations of KgPCo are subject to the jurisdiction of the TRA, pursuant to Chapter 4 of Title 65 of the Tennessee Code Annotated.

3. On January 4, 2016, KgPCo filed a general rate case, by means of the Petition of Kingsport Power Company d/b/a AEP Appalachian Power General Rate Case and Motion for Protective Order (“Petition”) in this TRA Docket, in which KgPCo requested approval of a rate increase of approximately \$12.1 million annually.

4. On January 8, 2016, the Consumer Advocate filed a Petition to Intervene. By order dated January 19, 2016, the Consumer Advocate’s intervention was granted.

5. On February 3, 2016, the East Tennessee Energy Consumers (“ETEC”), by counsel, filed a Petition to Intervene. In the course of a status conference held on February 18, 2016, and by written order of April 28, 2016, ETEC’s intervention was granted.

6. On February 4, 2016, the EFCA, TASC, and TenneSEIA each filed petitions to intervene. In the course of a status conference held on February 18, 2016, and by written order of April 28, 2016, the interventions of EFCA, TASC, and TenneSEIA were granted.

7. The Parties to this Settlement Agreement have engaged in substantial discovery.

8. On June 24, 2016, the Consumer Advocate, ETEC, and TASC filed direct testimony challenging several aspects of the Utility’s Petition and proposed rate increase.

9. On July 27, 2016, the Utility filed rebuttal testimony addressing certain aspects of the direct testimony previously filed by the Consumer Advocate, ETEC, and TASC.

10. The Parties have undertaken extensive discussions and “give and take” negotiations to resolve all known disputed issues in this case. As a result of the information obtained during informal and formal discovery and the discussions between the Parties, and for

the purpose of avoiding further litigation and resolving this matter upon acceptable terms, the Parties have reached this Settlement Agreement.

SETTLEMENT

11. Based upon the exchange of information and discussions described above, and in order to resolve this case through settlement and avoid the need for further litigation and expenses for all Parties and without waiving any positions asserted in this Docket, subject to Authority approval, the Parties have agreed to certain adjustments to the Utility's Petition, which are set forth herein.

12. **Test Period and Attrition Period:** The Parties agree that the appropriate test period for use in this proceeding is the twelve months ended December 31, 2015, and that the appropriate attrition period for use in this proceeding is the twelve months ended December 31, 2017.

13. **Revenue Deficiency:** The adjustments to the Utility's filed case collectively reduce the Utility's attrition period revenue deficiency from approximately \$12.1 million to approximately \$8.7 million. Subject to Authority approval, the Parties agree that this revenue deficiency is fair and reasonable for the limited purpose of resolving this Docket.

14. **Revenue Requirement:** The Parties agree that the Utility's attrition period cost of service should include the components set forth on Attachment A hereto, which the Parties agree are fair and reasonable to the Utility and its customers for the limited purpose of settling this Docket, and which include the following:

- a. Required Operating Income of \$5,109,838;
- b. A rate base of \$82,748,426;
- c. An overall rate of return of 6.175% on rate base;

- d. A return on common equity of 9.85%;
- e. A capital structure consisting of 2.79% short-term debt, 54.78% long-term debt, and 42.43% equity (inclusive of parent company debt);
- f. A cost of short-term debt of 0.29%;
- g. A cost of long term debt of 3.94%;
- h. An attrition period revenue deficiency of \$8,618,085;
- i. An amount of \$903,372 of vegetation management is included in base rates;
- j. An amount of \$392,381 of major storm expense is included in base rates;
- k. An amount of \$689,436 of TRA Inspection Fees is included in base rates, due to the termination of the TRA Inspection Fee rider;
- l.. An amount of \$506,104 of rate case expenses will be amortized over a period of five years and the annual amortization amount is included in base rates;
- m. An amount of \$572,386 of the RTO demand response regulatory asset will be amortized over a period of five years and the annual amortization amount is included in base rates;
- n. An amount of \$21,279,141 for ADIT;
- o. An amount of \$394,730 for bad debt expense; and
- p. An amount of \$4,209,463 of prepaid pension costs shall be included in rate base.

15. **Revenue Allocation:** The Parties agree that the agreed-upon revenue deficiency shall be allocated to the customer classes as set forth on Schedule 12 and 13 of Attachment A,

and the Parties agree that the results of such allocations are fair and reasonable for the limited purpose of resolving this Docket.

16. Rates

a. The Parties agree that, subject to TRA approval, the rates, tariffs, rate schedules, and Terms and Conditions of Service reflected in Attachment B, which rates are supported by the rate design documentation in Attachment C, are fair and reasonable for the purpose of resolving this proceeding. The Parties further agree and recommend, subject to TRA approval, that the rates, tariffs, rate schedules, and Terms and Conditions of Service set forth on Attachment B be approved by the Authority for bills issued on or after September 1, 2016.

b. The Parties agree that rates shall be split into two separately stated components on each customer bill and otherwise. Those components shall consist of Distribution Rates and Fuel and Purchased Power Rates.

c. The Distribution Rates shall be defined, calculated, and set forth on the tariffs and rate schedules contained in Attachment B to this Settlement Agreement, as supported by Attachment C to this Settlement Agreement. The Fuel and Purchased Power Rates shall be defined and calculated as set forth in the Fuel and Purchased Power Adjustment Rider ("FPPAR") contained in Attachment B to this Settlement Agreement and as set forth in Attachment D to this Settlement Agreement.

d. The Parties agree and recommend, subject to Authority approval, that the existing Fuel Clause Rider and Purchased Power Adjustment Rider be terminated as of August 31, 2016 and be replaced commencing September 1, 2016 with the FPPAR that includes both fuel and purchased power components. The Parties agree that the fuel expenses reflected in the FPPAR rates set out in Attachment B no longer include the Company's OPEB expenses, which

are now reflected in Distribution Rates. The FPPAR Rates shall be reviewed, recalculated, and implemented no less often than annually upon a filing by the Utility in accordance with the mechanism set forth in the FPPAR that is contained in Attachment B to this Settlement Agreement and as illustrated in Attachment D to this Settlement Agreement. Such revised proposed FPPAR Rates shall be filed at least thirty days prior to the effective date proposed by the Utility for the implementation of the revised FPPAR Rates. No Party to this Settlement Agreement shall be precluded from filing any action with respect to the Utility's filing.

17. In light of the settlement terms as a whole and for the sole purposes of settlement, the Parties agree that the revised rates, tariffs, rate schedules, and Terms and Conditions of Service agreed to herein, both individually and in the aggregate, are fair and reasonable to all customer classes and will provide KgPCo with a reasonable opportunity to recover the agreed-upon revenue requirement and earn a reasonable rate of return on its investment.

18. All pre-filed testimony and exhibits of the Parties are introduced into evidence without objection, and the Parties waive their right to cross-examine all witnesses with respect to all such pre-filed testimony. If, however, questions should be asked by any person, including a Director, the Parties may present testimony and exhibits to respond to such questions and may cross-examine any witnesses with respect to such testimony and exhibits.

19. The Parties agree to support this Settlement Agreement before the Authority and in any hearing, proposed order, or brief conducted or filed in this proceeding; provided, however, that the settlement of any issue provided for herein shall not be cited as precedent by any of the Parties or any other entity in any unrelated or separate proceeding or docket before the Authority. The provisions of this Settlement Agreement are agreements reached in compromise and solely for the purpose of settlement of this matter. The provisions in this Settlement Agreement do not

necessarily reflect the positions asserted by any Party; no Party to this Settlement Agreement waives the right to assert any position in any future proceeding, in this or any other jurisdiction; and the Parties agree that any Party may petition the Authority for a change in the Utility's rates, tariffs, rate schedules and/or Terms and Conditions of Service in a separate docket at any time. None of the Parties to this Settlement Agreement shall be deemed to have acquiesced in or agreed to any ratemaking or accounting methodology or procedural principle, including without limitation, any cost of service determination or cost allocation or revenue-related methodology. For the avoidance of doubt, the Parties acknowledge and agree that the methodologies that are required under Tenn. Code Ann. § 65-5-103(d)(6), and any similar successor annual review mechanism statutory provision, are not and have not been adopted in this Settlement Agreement.

20. This Settlement Agreement shall not have any precedential effect in any future proceeding or be binding on any of the Parties in this or any other jurisdiction except to the limited extent necessary to implement the provisions hereof.

21. The Parties agree and request the Authority to order that the settlement of any issue pursuant to this Settlement Agreement shall not be cited by the Parties or any other entity as binding precedent in any other proceeding before the Authority or any court, state or federal.

22. The terms of the Settlement Agreement have resulted from extensive negotiations between the signatories and the terms hereof are interdependent. The Parties jointly recommend that the Authority issue an order adopting this Settlement Agreement in its entirety without modification.

23. If the Authority does not accept the settlement in whole, the Parties are not bound by any position or term set forth in this Settlement Agreement. In the event that the Authority does not approve this Settlement Agreement in its entirety, each of the signatories to this

Settlement Agreement will retain the right to terminate this Settlement Agreement. In the event of such action by the Authority, within ten business days, any of the signatories to this Settlement Agreement would be entitled to give notice of exercising its right to terminate this Settlement Agreement; provided, however, that the signatories to this Settlement Agreement could, by unanimous consent, elect to modify this Settlement Agreement to address any modification required by, or issues raised by, the Authority. Should this Settlement Agreement terminate, it would be considered void and have no binding precedential effect, and the signatories to this Settlement Agreement would reserve their rights to fully participate in all relevant proceedings notwithstanding their agreement to the terms of this Settlement Agreement.

24. In the event that any Party and/or the Authority require that hearings go forward, then the Parties agree that the Parties will move the Authority for the establishment of a procedural schedule that would permit the Parties to obtain responses to any outstanding discovery and to submit evidence and testimony that has not been submitted as a result of reaching this Settlement Agreement.

25. By agreeing to this Settlement Agreement, no Party waives any right to continue litigating this matter should the Settlement Agreement be rejected by the Authority in whole or in part.

26. No provision of this Settlement Agreement shall be deemed an admission of any Party. No provision of this Settlement Agreement shall be deemed a waiver of any position asserted by a Party in this Docket.

27. Except as specifically agreed in this Settlement Agreement, any request made by the Utility in the Petition shall be deemed to have been withdrawn upon the approval of this Settlement Agreement by the Authority.

28. Approval by the Authority of the provisions of this Settlement Agreement shall not be construed as a waiver of the Authority's decisions in any rate case or policy decision or constitute an endorsement of any ratemaking methodology by the Authority.

29. The Parties agree that this Settlement Agreement constitutes the complete understanding among the Parties concerning the resolution of issues and matters under this TRA Docket 16-00001, and any oral statements, representations or agreements concerning such issues and matters made prior to the execution of this Settlement Agreement have been merged into this Settlement Agreement.

30. All exhibits and schedules attached to or referenced in this Settlement Agreement are hereby incorporated by reference into this Settlement Agreement.

31. The Consumer Advocate's agreement to this Settlement Agreement is expressly premised upon the truthfulness, accuracy and completeness of the information provided by the Utility to the Consumer Advocate throughout the course of this Docket, which information was relied upon by the Consumer Advocate in negotiating and agreeing to the terms and conditions of this Settlement Agreement.

32. The acceptance of this Settlement Agreement by the Attorney General shall not be deemed approval by the Attorney General of any of the Utility's acts or practices.

33. Each signatory to this Settlement Agreement represents and warrants that it/he/she has informed, advised and otherwise consulted with the Party for whom it/he/she signs regarding the contents and significance of this Settlement Agreement and has obtained authority to sign on behalf of such Party, and based upon those communications, each signatory represents and warrants that it/he/she is authorized to execute this Settlement Agreement on behalf of its/his/her respecting Party.

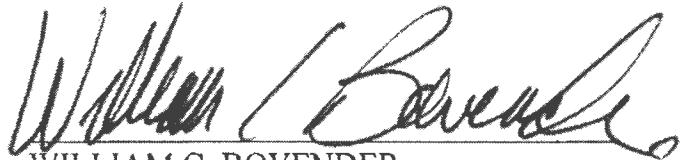
34. This Settlement Agreement shall be governed by and construed under the law of the State of Tennessee and any applicable federal law, Tennessee choice of law rules notwithstanding.

The foregoing is agreed and stipulated to this 3rd day of August, 2016.

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Stipulation and Settlement Agreement
Tennessee Regulatory Authority Docket 16-00001
Signature Page

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

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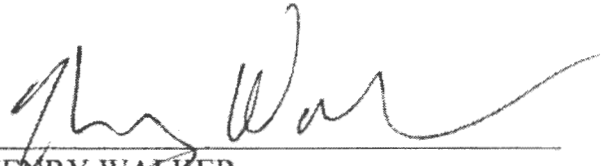
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Kingsport, TN 37664
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Stipulation and Settlement Agreement
Tennessee Regulatory Authority Docket 16-00001
Signature Page

ALLIANCE FOR SOLAR CHOICE

and

**TENNESSEE SOLAR ENERGY INDUSTRIES
ASSOCIATION**

A handwritten signature in black ink, appearing to read "Henry Walker", is written over a horizontal line.

HENRY WALKER
Bradley Arant Boult Cummings LLP
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Nashville, TN 37203
hwalker@babco.com

Stipulation and Settlement Agreement
Tennessee Regulatory Authority Docket 16-00001
Signature Page

**ENERGY FREEDOM COALITION
OF AMERICA**

A handwritten signature in cursive script, reading "Charles B. Welch, Jr.", written in black ink. The signature is positioned above a horizontal line.

CHARLES B. WELCH, JR.

Farris Bobango, PLC
Bank of America Plaza
414 Union Street, Suite 1105
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Stipulation and Settlement Agreement
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EAST TENNESSEE ENERGY CONSUMERS

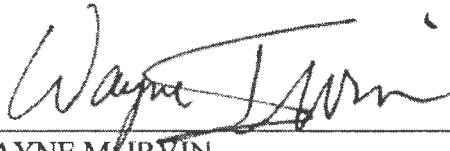
A handwritten signature in black ink, appearing to read "Michael J. Quinan", written over a horizontal line.

MICHAEL J. QUINAN
Christian & Barton, LLP
909 East Main St., Suite 1200
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mquinan@cblaw.com

Stipulation and Settlement Agreement
Tennessee Regulatory Authority Docket 16-00001
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**CONSUMER PROTECTION AND
ADVOCATE DIVISION**


HERBERT H. SLATTERY III
Attorney General and Reporter
State of Tennessee


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ATTACHMENT

A

PETITION OF KINGSPORT POWER
COMPANY D/B/A AEP
APPALACHIAN POWER FOR A
GENERAL RATE CASE

ATTACHMENT A – REVENUE DEFICIENCY SETTLEMENT

August 3, 2016

KINGSPORT POWER COMPANY
INDEX TO SCHEDULES
For the 12 Months Ending December 31, 2017

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KINGSPORT POWER COMPANY
Results of Operations
For the 12 Months Ending December 31, 2017

Line No.		<u>Company</u> A/	<u>CPAD</u> A/	<u>Settlement</u>
1	Rate Base	\$ 71,500,895	\$ 74,678,058	\$ 82,748,428 B/
2	Operating Income At Current Rates	-2,529,312	46,934	-124,383 C/
3	Earned Rate Of Return	-3.54%	0.06%	-0.15%
4	Fair Rate Of Return	6.69%	5.75%	6.18% D/
5	Required Operating Income	4,783,410	4,295,848	5,109,838
6	Operating Income Deficiency (Surplus)	7,312,722	4,248,914	5,234,221
7	Gross Revenue Conversion Factor	<u>1.657136</u>	<u>1.636152</u>	<u>1.646488 E/</u>
8	Revenue Deficiency	\$ <u>12,118,175</u>	\$ <u>6,951,869</u>	\$ <u>8,618,085</u>

A/ CAPD Exhibit, Schedule 1.
B/ Settlement Exhibit, Schedule 2.
C/ Settlement Exhibit, Schedule 4.
D/ Settlement Exhibit, Schedule 10.
E/ Settlement Exhibit, Schedule 11.

KINGSPORT POWER COMPANY
Average Rate Base
For the 12 Months Ending December 31, 2017

Line No.		Test Period	PJM Allocation	Attrition Adjustments	Attrition Period
Additions:					
1	Utility Plant in Service	\$ 176,806,762	\$ -31,324,197	\$ 15,986,806	\$ 161,469,371
2	Property Held for Future Use	34,829	0	-34,829	0
3	Construction Work in Progress	4,686,567	-830,302	-463,409	3,392,856
4	Materials & Supplies	285,752	-50,628	-3,272	231,854
5	Prepayments	<u>7,185,560</u>	<u>-1,273,039</u>	<u>197,714</u>	<u>6,110,235</u>
6	Total Additions	\$ <u>188,999,470</u>	\$ <u>-33,478,164</u>	\$ <u>15,683,010</u>	\$ <u>171,204,316</u>
Deductions:					
7	Accumulated Depreciation	\$ 66,031,295	\$ -11,880,066	\$ 5,900,323	\$ 60,051,552
8	Accumulated Deferred Income Taxes	24,257,959	-4,297,682	1,318,874	21,279,141 A/
9	Accumulated Deferred ITC	450	0	-450	0
10	Customer Advances for Construction	714,823	0	-168,219	546,604
11	Customer Deposits	4,275,913	0	989,695	5,265,608
12	Accumulated Interest on Customer Deposits	<u>1,088,808</u>	<u>0</u>	<u>224,177</u>	<u>1,312,985</u>
13	Total Deductions	\$ <u>96,369,248</u>	\$ <u>-16,177,758</u>	\$ <u>8,264,400</u>	\$ <u>88,455,890</u>
14	Rate Base	\$ <u>92,630,222</u>	\$ <u>-17,300,406</u>	\$ <u>7,418,610</u>	\$ <u>82,748,426</u>

A/ Company Rebuttal Exhibit No. 4 (JBB).

SOURCE: CPAD Rate Base Workpaper RB-1-1.01.

KINGSPORT POWER COMPANY
Comparative Rate Base
For the 12 Months Ending December 31, 2017

Line No.		<u>Company</u> A/	<u>CPAD</u> A/	<u>Settlement</u> B/
Additions:				
1	Utility Plant in Service	\$ 144,847,621	\$ 161,469,371	\$ 161,469,371
2	Property Held for Future Use	34,829	0	0
3	Construction Work in Progress	2,208,640	3,392,856	3,392,856
4	Materials & Supplies	226,320	231,854	231,854
5	Prepayments	<u>6,852,647</u>	<u>1,900,772</u>	<u>6,110,235</u>
6	Total Additions	\$ <u>154,170,057</u>	\$ <u>166,994,853</u>	\$ <u>171,204,316</u>
Deductions:				
7	Accumulated Depreciation	\$ 56,580,124	\$ 60,051,552	\$ 60,051,552
8	Accumulated Deferred Income Taxes	17,678,950	25,140,046	21,279,141
9	Accumulated Deferred ITC	3,123	0	0
10	Customer Advances for Construction	123,621	546,604	546,604
11	Customer Deposits	4,085,238	5,265,608	5,265,608
12	Accumulated Interest on Customer Deposits	<u>0</u>	<u>1,312,985</u>	<u>1,312,985</u>
13	Total Deductions	\$ <u>78,471,056</u>	\$ <u>92,316,795</u>	\$ <u>88,455,890</u>
14	Rate Base	\$ <u>75,699,001</u>	\$ <u>74,678,058</u>	\$ <u>82,748,426</u>

A/ CPAD Exhibit, Schedule 3.
B/ Settlement Exhibit, Schedule 2.

KINGSPORT POWER COMPANY
Income Statement at Current Rates
For the 12 Months Ending December 31, 2017

Line No.		Test Period	Adjustments	Attrition Amount
	Operating Revenues:			
1	Sale of Electricity	\$ 147,854,383	\$ 5,112,451	\$ 152,766,834
2	Other Revenues	5,466,934	-3,760,911	1,706,023
3	Total Operating Revenue	\$ 153,121,317	\$ 1,351,540	\$ 154,472,857
	Operating Expenses:			
4	Purchased Power	\$ 132,144,875	\$ 2,424,156	\$ 134,569,031
5	Distribution Expense	4,035,037	294,422	4,329,459
6	Customer Accounts Expense	1,446,346	255,005	1,701,351
7	Customer Service & Information Expense	112,194	368,159	480,353
8	Sales Expense	12,330	0	12,330
9	Administrative & General Expense	2,925,272	-1,386,716	1,538,556
10	Other O&M Expense	669,319	-669,319	0
11	Depreciation & Amortization Expense	10,700,686	-4,440,011	6,260,675
12	Charitable Contributions	9,447	-9,447	0
13	Other Income/Expense (Includes AFUDC)	237,144	43,257	280,401
14	Taxes Other Than Income Taxes	6,601,635	60,748	6,662,383 A/
15	State Excise Taxes	1,262,834	-1,467,868	-205,034 B/
16	Federal Income Taxes	6,357,149	-7,389,414	-1,032,265 B/
17	Total Operating Expenses	\$ 168,514,268	\$ -11,917,028	\$ 154,597,240
18	Utility Net Operating Income	\$ -13,392,951	\$ 13,268,568	\$ -124,383

A/ Settlement Exhibit, Schedule 9.

B/ Settlement Exhibit, Schedule 10.

KINGSPORT POWER COMPANY
Comparative Income Statement at Current Rates
For the 12 Months Ending December 31, 2017

Line No.		Company A/	CPAD A/	Settlement B/
	Operating Revenues:			
1	Sale of Electricity	\$ 157,609,689	\$ 152,766,834	\$ 152,766,834
2	Other Revenues	1,805,660	1,706,023	1,706,023
3	Total Operating Revenue	\$ 159,415,349	\$ 154,472,857	\$ 154,472,857
	Operating Expenses:			
4	Purchased Power	\$ 141,108,293	\$ 134,569,031	\$ 134,569,031
5	Distribution Expense	6,830,320	4,329,459	4,329,459
6	Customer Accounts Expense	1,478,532	1,306,621	1,701,351
7	Customer Service & Information Expense	686,750	480,353	480,353
8	Sales Expense	14,584	12,330	12,330
9	Administrative & General Expense	1,660,512	1,538,556	1,538,556
10	Other O&M Expense	730,468	0	0
11	Depreciation Expense	5,649,180	6,260,675	6,260,675
12	Charitable Contributions	9,821	0	0
13	Other Income/Expense (Includes AFUDC)	234,315	280,401	280,401
14	Taxes Other Than Income Taxes	5,885,423	6,662,383	6,662,383
15	State Excise Taxes	-445,756	-168,012	-205,034
16	Federal Income Taxes	-2,206,302	-845,874	-1,032,265
17	Total Operating Expenses	\$ 161,636,140	\$ 154,425,923	\$ 154,597,240
18	Utility Net Operating Income	\$ -2,220,791	\$ 46,934	\$ -124,383

A/ CPAD Exhibit, Schedule 5.
B/ Settlement Exhibit, Schedule 4.

KINGSPORT POWER COMPANY
CPAD Comparative Margin Summary
For the 12 Months Ending December 31, 2017

<u>Line No.</u>	<u>Customer Class</u>	<u>Revenues</u>	<u>Fuel Cost</u>	<u>Power Cost</u>	<u>Margin</u>
1	Residential Service	\$ 57,600,038	\$ 16,425,511	\$ 36,056,518	\$ 5,118,009
2	Small General Service	2,365,293	542,689	872,495	970,109
3	Medium General Service	11,040,457	2,833,505	5,324,407	2,882,545
4	Large General Service	19,663,638	5,809,174	9,206,141	4,648,323
5	Industrial Power Service	54,288,484	23,098,501	29,447,813	1,742,170
6	Church Service	947,307	236,521	482,722	248,064
7	Public School Service	2,121,121	659,330	1,475,568	-13,777
8	Electric Heating General Service	2,472,814	595,712	1,120,751	756,351
9	Outdoor Lighting Service	738,080	0	141,507	596,573
10	Street Lighting Service	<u>1,509,602</u>	<u>0</u>	<u>260,166</u>	<u>1,249,436</u>
11	Total Electric Sales Revenue	\$ 152,766,834	\$ 50,200,943	\$ 84,368,088	\$ 18,197,803
12	Other Revenues	<u>1,706,023</u>	<u>0</u>	<u>0</u>	<u>1,706,023</u>
13	Total Revenues	\$ <u>154,472,857</u>	\$ <u>50,200,943</u>	\$ <u>84,368,088</u>	\$ <u>19,903,826</u>

KINGSPORT POWER COMPANY
Taxes Other than Income Taxes
For the 12 Months Ending December 31, 2017

<u>Line No.</u>		<u>Company A/</u>	<u>CPAD A/</u>	<u>Settlement</u>
1	Property Taxes	\$ 1,306,527	\$ 1,346,929	\$ 1,346,929
2	TRA Inspection Fee	658,084	689,436	689,436
3	Payroll Taxes	171,280	166,227	166,227
4	Franchise Tax	149,286	171,817	171,817
5	Gross Receipts Tax	3,972,742	4,286,433	4,286,433
6	Allocated & Other Taxes	<u>1,702</u>	<u>1,541</u>	<u>1,541</u>
7	Total	\$ <u>6,269,621</u>	\$ <u>6,662,383</u>	\$ <u>6,662,383</u>

A/ CPAD Exhibit, Schedule 7.

KINGSPORT POWER COMPANY
Excise and Income Taxes
For the 12 Months Ending December 31, 2017

Line No.		Settlement
	Operating Revenues:	
1	Sale of Electricity	\$ 152,766,834 A/
2	Other Revenues	1,706,023 A/
3	Total Operating Revenue	<u>\$ 154,472,857</u>
	Expenses:	
4	Purchased Power	\$ 134,569,031 A/
5	Distribution Expense	4,329,459 A/
6	Customer Accounts Expense	1,701,351 A/
7	Customer Service & Information Expense	480,353 A/
8	Sales Expense	12,330 A/
9	Administrative & General Expense	1,538,556 A/
10	Other Expense	0 A/
11	Depreciation Expense	6,260,675 A/
12	Charitable Contributions	0 A/
13	Other Income/Expense (Includes AFUDC)	280,401 A/
14	Taxes Other Than Income Taxes	6,682,383 A/
15	Total Operating Expenses	<u>\$ 156,834,539</u>
16	NOI Before Excise and Income Taxes	<u>\$ -1,361,682</u>
17	Interest Expense	1,792,681 B/
18	Pre-tax Book Income	<u>\$ -3,154,363</u>
	State Excise Tax:	
19	Pre-tax Book Income	\$ -3,154,363
20	Excise Tax Rate	6.50% C/
21	State Excise Tax Expense	<u>\$ -205,034</u>
	Federal Income Tax:	
22	Pre-tax Book Income	\$ -3,154,363
23	Excise Tax Expense	-205,034
24	FIT Taxable Income	<u>\$ -2,949,329</u>
25	FIT Rate	35.00% C/
26	Federal Income Tax Expense	<u>\$ -1,032,265</u>

A/ Settlement Exhibit, Schedule 6.
B/ Settlement Exhibit, Schedule 12.
C/ Statutory Rates.

KINGSPORT POWER COMPANY
Income Statement at Proposed Rates
For the 12 Months Ending December 31, 2017

Line No		Current Rates	A/ Rate Increase	B/ Proposed Rates
	Operating Revenues:			
1	Sale of Electricity	\$ 152,766,834	\$ 8,618,085	\$ 161,384,919
2	Other Revenues	1,705,023	48,778	1,754,801
3	Total Operating Revenue	\$ 154,472,857	\$ 8,666,864	\$ 163,139,721
	Operating Expenses:			
4	Purchased Power	\$ 134,569,031	\$	\$ 134,569,031
5	Distribution Expense	4,329,459		4,329,459
6	Customer Accounts Expense	1,701,351	54,411	1,755,762
7	Customer Service & Information Expense	480,353		480,353
8	Sales Expense	12,330		12,330
9	Administrative & General Expense	1,538,556		1,538,556
10	Other O&M Expense	0		0
11	Depreciation & Amortization Expense	6,260,875		6,260,675
12	Charitable Contributions	0		0
13	Other Income/Expense (Includes AFUDC)	280,401		280,401
14	Taxes Other Than Income Taxes	6,862,383		6,862,383
15	State Excise Taxes	-205,034	559,809	354,776
16	Federal Income Taxes	-1,032,265	2,818,422	1,786,157
17	Total Operating Expenses	\$ 154,597,240	\$ 3,432,642	\$ 158,029,882
18	Utility Net Utility Operating Income	\$ -124,383	\$ 5,234,221	\$ 5,109,838

A/ Settlement Attachment A, Schedule 4.

B/ Settlement Attachment A, Schedules 1 and 11.

KINGSPORT POWER COMPANY
Rate of Return Summary
For the 12 Months Ending December 31, 2017

Line No.	Class of Capital	Percent of Total	Settlement		Weighted Cost Rate
			Cost Rate	A/	
	Debt:				
1	Short-Term Debt	2.790%	0.290%		0.008%
2	Long-Term Debt	54.780%	3.940%		2.158%
	Common Equity:				
3	Parent Short-Term Debt	0.280%	1.350%		0.004%
4	Parent Long-Term Debt	1.897%	2.109%		0.040%
5	Parent Equity	40.253%	9.850%		3.965%
6	Total	100.000%			6.175%
	Interest Expense Short-Term Debt:				
7	Rate Base			\$ 82,748,426	A/
8	Short-Term Weighted Debt Cost				0.008%
9	Short-Term Debt Interest Expense			\$ 6,695	
	Interest Expense Long-Term Debt:				
10	Rate Base			\$ 82,748,426	A/
11	Long-Term Weighted Debt Cost				2.158%
12	Long-Term Debt Interest Expense			\$ 1,785,986	
13	Total Interest Expense			\$ 1,792,681	

A/ Settlement Exhibit, Schedule 2.

KINGSPORT POWER COMPANY
Revenue Conversion Factor
For the 12 Months Ending December 31, 2017

<u>Line No.</u>		<u>Amount</u>	<u>Balance</u>
1	Operating Revenues		1.000000
2	Add: Forfeited Discounts	0.005660 A/	0.005660
3	Balance		1.005660
4	Uncollectible Ratio	0.006278 B/	0.006314
5	Balance		0.999346
6	State Excise Tax	0.065000 C/	0.064958
7	Balance		0.934389
8	Federal Income Tax	0.350000 C/	0.327036
9	Balance		0.607353
10	Revenue Conversion Factor (Line 1 / Line 9)		1.646488

A/ CPAD Revenue Workpaper R-90-2.00.

B/ CPAD Revenue Workpaper R-98-1.00; Settlement value reflecting bad debt component in factoring expense.

C/ Statutory Rates.

KINGSPORT POWER COMPANY
Settlement Proposed Margin Change
For the 12 Months Ending December 31, 2017

Line No.	Customer Class	Current Margin A/	Margin Change B/	Proposed Margin	Percent Change
1	Residential Service	\$ 5,118,009	\$ 2,438,410	\$ 7,556,419	47.64%
2	Small General Service	970,109	269,125	1,239,234	27.74%
3	Medium General Service	2,882,545	1,245,658	4,128,203	43.21%
4	Large General Service	4,648,323	2,218,583	6,866,906	47.73%
5	Industrial Power Service	1,742,170	1,530,923	3,273,093	87.87%
6	Church Service	248,064	108,881	354,945	43.09%
7	Public School Service	-13,777	239,319	225,542	-1737.09%
8	Electric Heating General Service	756,351	278,999	1,035,350	36.89%
9	Outdoor Lighting Service	596,573	83,275	679,848	13.96%
10	Street Lighting Service	<u>1,249,436</u>	<u>206,912 C/</u>	<u>1,456,348</u>	<u>16.56%</u>
11	Total Electric Sales Margin	\$ <u>18,197,803</u>	<u>8,618,065</u>	<u>26,815,868</u>	<u>47.36%</u>
12	Other Revenues	<u>1,706,023</u>	<u>48,778</u>	<u>1,754,801</u>	<u>2.86%</u>
13	Total Margin	\$ <u><u>19,903,826</u></u>	\$ <u><u>8,666,863</u></u>	\$ <u><u>28,570,689</u></u>	<u><u>43.54%</u></u>

A/ Settlement Exhibit, Schedule 6.

B/ Settlement Exhibit, Schedule 9.

C/ While the Company continues to charge Street Lighting customers consistent with contracted rates, this revenue increase has been imputed to the Street Lighting class.

KINGSPORT POWER COMPANY
Settlement Proposed Revenue Change
For the 12 Months Ending December 31, 2017

Line No.	Customer Class	Current Revenue A/	Revenue Change B/	Proposed Revenue	Percent Change
1	Residential Service	\$ 57,600,038	\$ 2,438,410	\$ 60,038,448	4.23%
2	Small General Service	2,385,293	269,125	2,654,418	11.28%
3	Medium General Service	11,040,457	1,245,658	12,286,115	11.28%
4	Large General Service	19,663,638	2,218,583	21,882,221	11.28%
5	Industrial Power Service	54,288,484	1,530,923	55,819,407	2.82%
6	Church Service	947,307	106,881	1,054,188	11.28%
7	Public School Service	2,121,121	239,319	2,360,440	11.28%
8	Electric Heating General Service	2,472,814	278,999	2,751,813	11.28%
9	Outdoor Lighting Service	738,080	83,275	821,355	11.28%
10	Street Lighting Service	<u>1,509,602</u>	<u>206,912</u>	<u>1,716,514</u>	<u>13.71%</u>
11	Total Electric Sales Margin	\$ 152,766,834	8,618,085	161,384,919	5.64%
12	Other Revenues	<u>1,706,023</u>	<u>48,778</u>	<u>1,754,801</u>	<u>2.86%</u>
13	Total Margin	\$ <u>154,472,857</u>	\$ <u>8,666,863</u>	\$ <u>163,139,720</u>	<u>5.61%</u>

A/ Settlement Exhibit, Schedule 6.

B/ Settlement Exhibit, Schedule 9.

ATTACHMENT

B

)
)
)
 PETITION OF KINGSPORT POWER)
 COMPANY D/B/A AEP) Docket No. 16-00001
 APPALACHIAN POWER FOR A)
 GENERAL RATE CASE)
)
)

RATES, TARIFFS, RATE SCHEDULES AND TERMS AND CONDITIONS OF SERVICE

August 3, 2016

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TERMS AND CONDITIONS OF SERVICE

DEFINITIONS

Words or phrases in this tariff shall be defined as follows:

“Advanced Metering” – A meter (1) capable of remote meter reading and/or (2) capable of storing electric consumption data at specified time intervals compliant with existing tariffs and in conformance with applicable performance specifications.

“Applicant” – Any person, group of persons, including the developer, builder, property owner or other person, association, partnership, firm, corporation or other entity requesting Electric Service from the Company, or who has not been recognized by the Company as a customer.

“Company” – Kingsport Power Company.

“Contribution-in-Aid-of-Construction (CIAC)” – Payment by customer to cover the cost of facilities not covered by the applicable revenue credit. The CIAC includes all state and federal income taxes incurred by the Company that are associated with such payment “

“Customer” – Any person, group of persons, including the developer, builder, property owner or other person, association, partnership, firm, corporation or other entity purchasing Electric Service from the Company.

“Delivery Point” – The point of connection between the distribution facilities of the Company and the electric system of the customer.

“Electric Service” – The supply of electricity by the Company to a retail customer.

“Electricity Supply Service” – The generation of electricity, or when provided together, the generation of electricity and its transmission to the distribution facilities of the Company on behalf of a retail customer.

“Meter Reading” -- Any reading obtained from a meter via manual or electronic reading process.

“Month” -- The elapsed time between two successive meter readings approximately thirty (30) days apart.

“Person” – Any individual, corporation, partnership, association, company, business, trust, joint venture, or other private legal entity, and the State of Tennessee or any city, county, town, authority or other political subdivision of the State of Tennessee.

“Submetered Service” – The measurement of electricity by the owner/operator of a master metered multiple occupancy building for the purpose of determining the actual use of individual occupants.

“TRA” – Tennessee Regulatory Authority.

APPLICATION

The Company reserves the right to require an applicant, before any electricity is delivered, to:

- (1) Establish that the applicant is the owner or bona fide lessee of the premises and to require all owners and bona fide lessees to have the electric service in their names.
- (2) Execute an electric service application. Notwithstanding the application, an applicant, by accepting the electricity, agrees to be bound by the applicable Tariff and these Terms and Conditions as amended from time to time. Failure to make application does not relieve new customers from being liable for all services supplied since the last meter reading, either actual or estimated, under the appropriate Tariff.

A copy of the Tariffs and the Terms and Conditions under which service is to be rendered to the customer will be furnished upon request. The customer shall select the particular Tariff, of those available, upon which the application for

TERMS AND CONDITIONS OF SERVICE

service shall be based. The Company may assist the customer in making this selection but responsibility for the selection rests exclusively with the customer.

A written agreement may be required from a customer before service will be commenced. A copy of the agreement will be furnished to the customer upon request.

When the customer desires delivery of energy at more than one point, a separate agreement will be required for each separate point of delivery. Service delivered at each point of delivery will be billed separately under the applicable Tariff.

DEPOSITS

Pursuant to the Rules and Regulations of the TRA, Section 1220-4-4-.15, a deposit, or suitable guarantee, as security for the payment of bills, may be required of the customer at any time or from time to time before or after service is commenced. Such deposit shall not be more in amount than the maximum estimated charge for service for two (2) consecutive billing periods or ninety (90) days, whichever is less, or as may reasonably be required by the utility in cases involving service for short periods or special occasions. The Company will pay an interest rate on deposits as approved by the TRA. The Company may retain the deposit as long as it feels it is necessary to insure payment of bills for service.

The Company will not be required to supply service if deposit conditions are not met or if an appropriate deposit is not paid as required.

The Company shall have a reasonable time in which to read and remove the meters and to ascertain that the obligations of the customer have been fully performed before being required to return any deposit. Retention by the Company, prior to final settlement, of any deposit or guarantee, shall not be deemed a payment or partial payment of any bill for service.

METERING AND BILLING

Meters will be read monthly, unless otherwise indicated within an individual tariff, except that readings may be estimated on occasion as necessary.

All electricity sold by the Company shall be on the basis of meter measurement, except for installations such as street lighting, outdoor lighting, traffic signal and other service where the usage is constant and the consumption may readily be computed, consistent with tariff availability, and all charges for electricity used shall be calculated from the meter reading or estimated consumption and the usage at each Delivery Point shall be billed separately.

Whenever it is found that electric service is being used as a result of tampering, the customer will pay to the Company an amount estimated by the Company to be sufficient to cover the electric service used and not previously paid for, as well as an amount equal to any damage done to the company's facilities as a result of such tampering.

When meters are installed by the Company to measure the Electric Service used by the Company's Customers, all charges for Electric Service used, except certain customer and minimum charges, shall be calculated from the readings of such meters. All meters used to determine billing will be owned and operated by the Company.

The Company installs, maintains and operates a variety of meters, including Advanced Meters and related equipment designed to measure and record Customers' consumption and usage of electric services provided under this Tariff. The Company may from time to time, at its sole and exclusive discretion, install such meters and related equipment, including but not limited to, telemetering equipment and Advanced Meters, it deems reasonable and appropriate to provide electric service to Customers under this Tariff.

TERMS AND CONDITIONS OF SERVICE

PAYMENTS

Bills will be rendered by the Company to the customer monthly in accordance with the tariff selected applicable to the customer's service with the following exceptions:

EQUAL EXTENDED PAYMENT PLAN (EEP)

Residential customers shall have the option of paying bills under the Company's equal payment plan (Budget Plan), whereby the total service for the succeeding 12-month period is estimated in advance, and bills are rendered monthly on the basis of one twelfth of the 12-month estimate. The Company may at any time during the 12-month period adjust the estimate so made, and the bills rendered in accordance with such estimate, to conform more nearly with the actual use of service being experienced. The normal equal payment period will be 12 months, commencing in any month selected by the Company.

In case the actual service used during any equal payment period exceeds the bills as rendered on the equal payment plan, the amount of such excess shall be paid on or before the due date of the bill covering the last month of the equal payment period in which such excess appears. If the customer discontinues service with the Company under the equal payment plan, any such excess not yet paid shall become payable immediately. In case the actual service used during the equal payment period is less than the amount paid under the equal payment plan during such period, the amount of such overpayment shall, at the option of the Company, either be refunded to the customer or credited on his last bill for the period.

If a customer fails to pay bills as rendered on the equal payment plan, the Company shall have the right to withdraw the plan with respect to such customer and to restore the customer to billing as provided for in the applicable tariffs, in addition to any other rights which the Company may have under such tariffs in case of arrearage in payment of bills.

AVERAGE MONTHLY PAYMENT PLAN (AMP)

The Average Monthly Payment Plan (AMP) is available to year-round residential customers and Small General Service customers.

The AMP Plan is designed to minimize large seasonal variations in electric service billings by allowing the customer to pay an average amount each month based on the current month's billing, including applicable taxes and surcharges, plus the eleven (11) preceding months, divided by the total billing days associated with those billings to get a per day average. The average daily amount will be multiplied by thirty (30) days to determine the current month's payment under the AMP Plan. At the next billing period, the oldest month's billing history is dropped, the current month's billing is added and the average is recalculated to find a new payment amount. The average is recalculated each month in this manner.

In such cases where sufficient billing history is not available, an AMP account may be established allowing the first month's amount be the average based on the actual billing for the month. The second month's amount due will be the average based on the first and second billing. The average will be recomputed each month using the available actual history throughout the first AMP year.

Actual billing will continue to be based on the applicable rate and meter readings obtained to determine consumption. The difference between actual billings and the averaged billings under the AMP Plan will be carried in a deferred balance that will accumulate both debit and credit differences for the duration of the AMP Plan year -- twelve consecutive billing months. At the year of the AMP Plan year (anniversary month), the net accumulated deferred balance is divided by twelve (12) and the result is included in the average payment amount starting with the first billing of the new AMP Plan year and continuing for twelve (12) consecutive months. Settlement occurs only when participation in the plan is terminated. This happens if an account is final billed, if the customer requests

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termination, or may be terminated by the Company if the customer fails to make two or more consecutive monthly payments on an account. The deferred balance (debit or credit) is then applied to the billing now due.

All bills are payable either by mail, checkless payment plan, electronic payment plan, through authorized collection agencies, or by other payment methods acceptable to the Company. Any fees charged by third party vendors for providing payment services are the responsibility of the customer.

All bills are payable within the time limits specified in the tariff. Failure to receive bill will not entitle customer to any discount or to the remission of any charge for non-payment within the time specified. In the event of the stoppage of or the failure of any meter to register the full amount of energy consumed, the customer will be billed for such period on an estimated consumption based upon his use of energy in a similar period of like use.

The tariffs of the Company contain a provision to allow a discount if the account of the customer is paid within the time limit specified in the tariff applicable to his service.

RETURNED CHECK CHARGE

In cases where a check is tendered for payment of an account is returned for insufficient funds or other reason, excluding bank error, a \$12.50 service charge will be made.

INSPECTION

It is to the interest of the customer to properly install and maintain the customer's wiring and electrical equipment and the customer shall at all times be responsible for the character and condition thereof. It is the customer's responsibility to assure that all inside wiring, appliances and equipment are grounded and are otherwise in accordance with requirements of the National Electric Code or the requirements of any local inspection authority having jurisdiction. The Company is not required to inspect such wiring and electrical equipment, and in no event shall the Company be responsible therefore or liable for any damages to person or property caused by such wiring or equipment.

Where a customer's premises are located in a municipality or other governmental subdivision where inspection laws or ordinances are in effect, the Company may withhold furnishing service to new installations until it has received evidence that the inspection laws or ordinances have been complied with.

Where a customer's premises are located outside of an area where inspection service is in effect, the Company may require the delivery by the customer to the Company of an agreement duly signed by the owner and tenant of the premises authorizing the connection to the wiring system of the customer and assuming responsibility therefor. No responsibility shall attach to the Company because of any waiver of this requirement.

SERVICE CONNECTIONS

The Company shall not be required to provide electric service until a reasonable time has elapsed after the Company has obtained or received all suitable permits, certificates and easements.

If requested, applicants and customers shall supply the Company with drawings and specifications covering the plot and structures requiring electric service. The Company shall not be obligated to provide electric service until the applicant or customer has properly prepared the site for installation of the Company's facilities.

The Company shall supply electricity at one Delivery Point whose location shall be determined by the Company. The customer's wiring shall, except for those cases listed below, be brought outside the building wall nearest the Company's service wires so as to be readily accessible thereto. When service is from an overhead system, the customer's wiring shall extend at least 18 inches beyond the building.

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~~normally provide; and the Company finds it practicable, such additional equipment, facilities or engineering estimates will be supplied by the Company provided the customer pays, in advance of construction, the additional estimated costs or agrees to pay a monthly facility charge equal to 1.08% of the additional estimated costs.~~

The Company shall provide underground distribution and/or underground services to individual customers, to groups of customers, or to real estate developers in accordance with the Underground Distribution and Service Plan on file with the Tennessee Regulatory Authority. Copies of the Underground Distribution and Service Plan are available upon request.

CONTRIBUTIONS IN AID OF CONSTRUCTION AND CUSTOMER ADVANCES

The Company will require from any customer and/or developer a Contribution in Aid of Construction or Customer Advance for installation of underground service in lieu of standard overhead service, construction of additional facilities to serve only the subject customer or facilities over and above the standard necessary to provide reliable electric power service. This Contribution in Aid of Construction or Customer Advance will be calculated according to the most recent facility costs available to the Company. The customer shall also reimburse the Company for all state and federal income taxes associated with the CIAC at a gross-up rate of 17.5%.

RELOCATION OF COMPANY'S FACILITIES AT CUSTOMER'S REQUEST

Whenever, at the customer's request, Company's facilities located on the customer's premises are relocated to suit the convenience of the customer, the customer shall reimburse the Company for the entire cost incurred in making such relocation. Such relocation shall include all state and federal income taxes associated with the relocation cost at a gross-up rate of 17.5%.

COMPANY'S LIABILITY

The Company will use reasonable diligence in furnishing a regular and uninterrupted supply of energy, but the Company does not guarantee uninterrupted service. The Company shall not be liable for damages for injury to person or property in the event such supply is interrupted or fails by reason of an act of God, the public enemy, accidents, strikes or labor disputes, orders or acts of civil or military authority, breakdowns or injury to the machinery, transmission lines, distribution lines or other facilities of the Company, extraordinary repairs, or any act of the Company to interrupt service to any customer whenever in the sole judgment of the Company such interruption is indicated in order to prevent or limit any instability or disturbance on the electric system of the Company or any electric system interconnected with the Company or ordinary negligence or breach of contract on the part of the Company, its agents or employees.

Unless otherwise provided in a contract between Company and Customer, the point at which service is delivered by Company to customer, to be known as "delivery point", shall be the point at which the customer's facilities are connected to the Company's facilities. The metering device is the property of the Company; however, the meter base and all internal parts inside the meter base are customer owned, and are the responsibility of the customer to install and maintain. The Company shall not be liable for any loss, injury, or damage resulting from the customer's use of the customer's equipment or use of the energy furnished by the Company beyond the delivery point.

The Company does not guarantee the delivery service against fluctuations or interruptions. The Company will not be liable for any damages, whether direct or consequential, including, without limitations, loss of profits, loss of revenue, or loss of production capacity occasioned by fluctuations or interruptions. The customer shall provide and maintain suitable protective devices on the customer's equipment to prevent any loss, injury or damage that might result from single phasing conditions or any other fluctuation or irregularity in the supply of energy. The Company shall not be liable for any loss, injury or damage resulting from a single phasing condition or any other fluctuation or irregularity in the supply of energy which could have been prevented by the use of such protective devices.

The Company is not responsible for loss or damage caused by the disconnection or reconnection of its facilities. The Company is not responsible for loss or damages caused by the theft or destruction of Company facilities by a third party.

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The Company shall provide and maintain the necessary line or service connections, transformers (when same are required by conditions of contract between the parties thereto), meters and other apparatus which may be required for the proper measurement of and protection to its service. All such apparatus shall be and remain the property of the Company.

CUSTOMER'S LIABILITY

In the event of loss or injury to the property of the Company through misuse by, or the negligence of, the customer or the customer's agents and employees, the customer shall be obligated for and shall pay to the Company the full cost of repairing or replacing such property. The customer shall be responsible for the entire cost incurred in relocating a Company pole if the customer jeopardizes the integrity of the pole. In addition, the customer shall reimburse the Company for all state and federal income taxes associated with such relocation.

The customer and the customer's agents and employees shall not tamper with, interfere with or break the seals of any meters used by the Company or any Company-owned equipment installed on the customer's premises, and the customer assumes all liability for the consequences thereof. . The customer hereby agrees that no one, except the agents and employees of the Company, shall be allowed to make any internal or external adjustments of any installed meter used by the Company or any other piece of apparatus which belongs to the Company.

The Company shall have the right at all reasonable hours to enter the premises of the customer for the purpose of installing, reading, removing, testing, replacing or otherwise disposing of meters used by the Company and all Company-owned apparatus and property. The Company shall have the right to discontinue electric service if such access at any time is not provided. The Company shall also have the right to remove any or all of the Company's property in the event of termination of the customer's service for any reason.

DOMESTIC SERVICE

Individual residences shall be served individually under the appropriate residential tariff. The customer may not take service for two or more separate residences through a single point of delivery under any residential schedules, even if the customer owns all of such residences. In the case of multi-unit residential dwellings such as apartment houses, condominiums, townhouses, etc., the owner shall have the choice of providing separate wiring for each unit so that the Company may supply each such unit separately under residential schedules, or of purchasing the entire service through a single meter under the appropriate general service tariff. The owner may provide submetered service to the individual units under rules for master metering electricity as specified in the Rules and Regulations of the TRA, Section 1220-4-4-.07 (2). Hospitals, nursing homes, hotels, motels and dormitories are not considered multi-unit residential dwellings.

~~The appropriate residential tariff shall cease to apply to a residence which becomes regularly used for business, professional, institutional or any gainful purpose. Under these circumstances, the customer shall have the choice: (a) of separating the wiring so that the residential portion of the premises is served through a separate meter under such schedules and the other uses as enumerated above are served through a separate meter or meters under the appropriate general service tariff, or (b) of taking the entire service under the appropriate general service tariff. Single phase motors of 10 H.P., or less, may be served under the appropriate residential tariff. Larger motors may be served when, in the Company's sole judgment, the existing service facilities of the Company are adequate.~~

Detached buildings actually appurtenant to the customer's residence, such as a garage, stable, or barn, may be served by an extension of the customer's residential wiring through the residential meter provided no business activities are transacted in the detached buildings.

CHANGE OF ADDRESS BY CUSTOMER

It is the responsibility of an existing customer to notify the Company when service is to be discontinued, and to provide a mailing address for the final bill.

When the Company receives notice from an existing customer that the service is to be discontinued, or from a

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prospective customer that an existing service is to be transferred into the prospective customer's name, the Company will determine the meter reading for the final bill to the existing customer. The existing customer will be responsible for all service supplied to the premises until such meter reading and discontinuance or transfer is made. Transfer of service to a qualified prospective customer will not be delayed or denied because of nonpayment of the final bill by the former customer, unless the former customer continues to be a consumer of electric service at the premise.

EXTENSION OF SERVICE

The electrical facilities of the Company will be extended or be expanded to supply electric service when the revenue is sufficient to justify the cost of making such additions, or in lieu of sufficient revenue the Company may require a long term contract and/or contribution, monthly minimum charge, definite and written guarantee, from a customer or group of customers in addition to any minimum payment required by the tariff as may be necessary. This requirement may also be applied to cover the payment by the customer of the cost of tapping existing transmission or distribution lines for electric service or for reservation of electrical capacity when such service or reservation will not otherwise provide sufficient revenue to justify the cost of tapping said lines.

LOCATION AND MAINTENANCE OF COMPANY'S EQUIPMENT

In order to provide service to the customer, the Company shall have the right to construct its poles, lines and circuits on the customer's property, and to place its transformers and other apparatus on the property or within the buildings of the customer, at a point or points convenient for such purpose.

The customer shall provide suitable space for the installation of necessary measuring instruments at an outside location, where practicable, designated by the Company so that such instruments will be protected from injury by the elements or through the negligence or deliberate acts of the customer, its agents and employees. Such space for measuring instruments should be unobstructed, readily accessible and, safe and convenient for reading, testing and servicing by the Company.

USE OF ENERGY BY CUSTOMER

The tariffs for electric energy given herein are classified by the character of use of such energy and are not available for service except as provided herein.

When more than one tariff is available for the service requested, the customer shall designate the tariff on which the request or contract shall be based. The Company will assist the customer in the selection of the tariff best adapted to the customer's service requirements, provided, however, that the Company does not assume responsibility for the selection or that the customer will at all times be served under the most favorable tariff.

The customer may change the initial tariff selection to another applicable tariff at any time by either written notice to Company and/or by executing a new contract for the tariff selected, provided that the application of such subsequent selection shall continue for 12 months before any other selection may be made. In no case will the Company refund any monetary difference between the tariff under which service was billed in prior periods and the newly selected tariff.

With particular reference to power customers it shall be understood that upon the expiration of a contract the customer may elect to renew the contract upon the same or another tariff published by the Company available in the district in which the customer resides or operates and applicable to the customer's requirements, except that in no case shall the Company be required to maintain transmission, switching or transformation equipment (either for voltage or form of current change) different from or in addition to that generally furnished to other customers receiving electrical supply under the terms of the tariff elected by the customer.

A customer may not change from one tariff to another during the term of contract except with the consent of the Company.

The service connections, transformers, meters and appliances supplied by the Company for each customer have a

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definite capacity and no additions to the equipment, or load connected thereto, will be allowed except by consent of the Company. The customer shall install only motors, apparatus or appliances which are suitable for operation with the character of the service supplied by the Company, and which shall not be detrimental to same, and the electric power must not be used in such a manner as to cause unprovided for voltage fluctuations or disturbances in the Company's transmission or distribution system. The Company shall be the sole judge as to the suitability of apparatus or appliances, and also as to whether the operation of such apparatus or appliances is or will be detrimental to its general service. No attachment of any kind whatsoever may be made to the Company's lines, poles, cross arms, structures or other facilities without the express written consent of the Company.

The customer shall make no attachment of any kind whatsoever to the Company's lines, poles, crossarms, structures or other facilities without the express written consent of the Company.

All apparatus used by the customer shall be of such type as to secure the highest practicable commercial efficiency, power factor and proper balancing of phases. Motors which are frequently started or motors arranged for automatic control, must be of a type to give maximum starting torque with minimum current flow, and must be of a type, and equipped with controlling devices, approved by the Company. The customer agrees to notify the Company of any increase or decrease in his connected load.

The Company will not supply service to customers who have other sources of energy supply except under tariffs which specifically provide for same. Whenever used in these Terms and Conditions of Service or in any of the Company's tariffs the term "other sources of energy supply" shall mean "other sources of electric energy supply". The customer shall not be permitted to operate his own generating equipment in parallel with the Company's service except with the express written consent of the Company.

Resale of energy will be permitted only by written consent of the Company.

RESIDENTIAL SERVICE

Individual residences shall be served individually with single-phase service under the residential service tariff. Customers may not take service for 2 or more separate residences through a single point of delivery under any tariff even if the customer owns all of such residences. In the case of multi-unit residential dwellings such as apartment houses, condominiums, townhouses, etc., the owner shall have the choice of providing separate wiring for each unit so that the Company may supply each unit separately under residential tariffs, or of purchasing the entire service through a single meter under the appropriate general service tariff without submetering the service to the units.

~~The residential service tariff shall cease to apply to that portion of a residence which becomes regularly used for business, professional, institutional or any gainful purposes or which requires three phase service or which requires service to motors in excess of 10 HP each. Under these circumstances, customer shall have the choice: (1) of separating the wiring so that the residential portion of the premises is served through a separate meter under the residential service tariff and the other uses as enumerated above are served through a separate meter or meters under the appropriate general service tariff; or (2) of taking the entire service under the appropriate general service tariff. Detached building or buildings, actually appurtenant to the residence, such as a garage, stable or barn, may be served by an extension of the customer's residence wiring through the residence meter.~~

TEMPORARY SERVICE

Temporary service is electric service that is required for a limited duration, where capacity is available, to nonpermanent installations such as construction projects, transient uses such as traveling shows, fairs, exhibitions, outdoor or indoor entertainment, seasonal installations, or under other circumstances where the Company has reason to believe that the facilities will not be used for a permanent supply of electricity. Such service is available only upon approval of the Company.

In order to qualify for temporary service, the customer must demonstrate, to the Company's satisfaction, that the requested service will, in fact, be temporary in nature.

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Temporary service shall be provided through its own separately metered delivery point. The temporary service pole shall be reasonably accessible to the Company's service vehicles without causing damage to the customer's or other's property.

Temporary service for light and power will be supplied under any published tariff applicable to the class of business of the customer, when the Company has available unsold capacity of lines, transformers, and generating equipment. The customer will pay a temporary service charge in advance equal to the estimated cost to the Company for providing the temporary service. The service charge, as set forth in the applicable tariff shall be, in no case, less than one full monthly amount. The Company reserves the right to require a written contract for temporary service, at its option.

VOLTAGES

The standard nominal distribution service voltages within the service area of the Company are:

<u>Secondary</u>		<u>Primary</u>
<u>Single Phase</u>	<u>Three Phase</u>	<u>Three Phase</u>
120/240 volts	120/208 volts	12,470/7,200 volts
120/208 volts	240 volts	34.5/19.9 KV
	277/480 volts	

The standard subtransmission and transmission service voltages within the service area of the Company are:

<u>Subtransmission</u>	<u>Transmission</u>
<u>Single or Three Phase</u>	<u>Three Phase</u>
34.5 KV	138 KV
69 KV	

METER ACCURACY AND TESTS

The Company's meter performance levels, testing methods, and test schedules are in conformance with the standards recommended by the American National Standard Code for Electricity Metering, (ANSI C12.1), as revised from time to time.

The performance of a Watthour meter is considered to be acceptable when the meter disk does not creep and when the percent registration is not more than 102%, nor less than 98%, based upon the simple average of light load and heavy load.

The performance of a demand meter or register shall be acceptable when the error in registration does not exceed 4% in terms of full scale value when tested at any point between 25% and 100% of full scale value.

Whenever Watthour meters are being tested for accuracy and found to be registering outside 1% on either light or heavy load or outside 2% on lag, the percentage registration of the meter shall be adjusted to within these limits of error or the meter shall be discarded.

Whenever demand meters or registers are being tested for accuracy and found to be registering outside $\pm 4\%$ of full scale value, the demand meter or register shall be adjusted to within $\pm 2\%$ of full scale value or the meter shall be discarded.

The Company shall, without charge, make a test of the accuracy of any Company-owned electric meter upon request, provided the customer does not request such tests more frequently than once every twelve months. If tests of Company-owned meters are requested by the customer to be made more frequently than once every twelve months, then the customer shall pay the Company a deposit of \$15 for a single phase meter or \$30 for a polyphase meter for each test. The deposit shall be refunded only if the percentage registration of the meter is less than 98% or greater than 102%.

Whenever a meter is found upon periodic, request or complaint test to have an average error of registration of more than 2% (fast or slow), the Company shall recalculate the monthly bills as referenced in the Rules and Regulations of the TRA, Section 1220-4-4-.18.

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The Company is under no obligation, legal or regulatory, to replace any properly functioning meter in service.

DENIAL OR DISCONTINUANCE OF SERVICE

- (1) Reasons for Termination of Service or Denial of Service. Service may be refused or discontinued for any of the reasons listed below:
- (a) Without notice in the event of a condition determined by the utility to be hazardous.
 - (b) Without notice in the event of customer use of equipment in such a manner as to adversely affect the utility's equipment or the utility's service to others.
 - (c) Without notice if there is evidence of tampering with the equipment furnished and owned by the utility.
 - (d) Without notice if there is evidence of unauthorized use.
 - (e) For violation of and/or non-compliance with the utility's rules on file with and approved by the Authority.
 - (f) For failure of the customer to fulfill his contractual obligations for service and/or facilities subject to regulations by the Authority.
 - (g) For failure of the customer to permit the utility reasonable access to its equipment.
 - (h) For non-payment of delinquent account.
 - (i) For failure of the customer to provide the utility with a deposit.

Unless otherwise stated, the utility shall comply with the notice requirements set forth in paragraph (2) below before service is discontinued. However, no service shall be discontinued on the day or a date preceding a day or days on which the services of the utility are not available to the general public for the purpose of reconnecting the discontinued service, except as provided in (a), (b), (c) and (d) above. For purposes of this section, the Company recognizes the following holidays: New Year's Day, Good Friday, Memorial Day, July 4th, Labor Day, Thanksgiving Day, the Friday following Thanksgiving Day, Christmas Eve and Christmas Day.

- (2) Notice of Termination of Service. Electric service to any electric customer may not be terminated without reasonable opportunity to dispute the reasons for such termination.
- (a) Content of the notice, which may be included in the customer's bill, shall be clearly legible and contain the following information:
- 1. The name and address of the customer and the address of the service, if different.
 - 2. A clear and concise statement of the reason for the proposed termination of service.
 - 3. The date on which service will be terminated unless the customer takes appropriate action. The date of the proposed termination by the utility shall be at least seven (7) days after the utility sends the notice by first class mail. The mailing of the notice of termination as set forth above, shall constitute reasonable prior notice within the meaning of this rule.
 - 4. Information concerning the reconnection fee.
 - 5. The telephone number and address of the utility where the customer may make inquiry, enter into a service continuation agreement, or file a complaint.
 - 6. The notice shall also contain the name and address of the Authority and a statement to the effect that the Authority is the regulatory authority for this service.
 - 7. In cases where the termination is based on the failure to pay, the notice shall state if the bill is the actual or estimated, amount owed, and the time period over which the amount was incurred.
- (b) Notwithstanding any other provisions of these rules, a utility shall postpone the physical termination of utility service to a residential customer for a period of thirty (30) days in the event a physician, public health officer, or social service official certifies in writing that discontinuation of the service will aggravate an existing medical emergency of the customer or other permanent resident of the premises where service is rendered. During the thirty (30) day extension the

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customer or other permanent resident of the premises where service is rendered shall be referred to social service agencies for investigation, confirmation of need and guarantee of payment. The local utility shall supply customers with names of agencies providing assistance.

- (c) All customers shall be provided with the option of a Third Party Notification service and shall be notified annually by the utility of its availability. The Third Party Notification will provide any customer with the opportunity to designate a third party who will receive a duplicate of any termination notice by first class mail.

RECONNECTION CHARGES

- (1) In cases where the Company had discontinued service as herein provided for, the customer shall pay the Company a reconnection charge of \$50.00, as described below, prior to the Company's reconnection of the service.
 - (a) When payment is made during normal working hours (8:00 a.m. to 6:00 p.m., Monday through Friday, excluding holidays), service will be reconnected the same day to residential or small general service customers.
 - (b) For payments made after 7:00 p.m. Monday through Friday or during weekends or holidays, service to residential or small general service customers will be reconnected the next regular business day.

The reconnection charge for all customers, where service has been disconnected for fraudulent use of electricity, will be the actual cost of the reconnection.

- (2) When the Company requires past-due balances to be paid prior to reconnection, the Company may further require such payments to be made by cash, certified check, cashier's check or money order at a Company designated payment location when, during the previous twelve months, either of the events below have occurred:
 - (a) The customer's electric service has been disconnected due to non-payment of any bill for electric service.
 - (b) The customer has attempted to make payment by a check upon which the Company was initially unable to collect.
- (3) In addition, the Company may, at its option, require a deposit from the customer prior to reconnecting the service.
- (4) Where service has been discontinued at the request of the customer, and where the same customer requests that the service be reconnected within a period of 8 months from the date that service was discontinued, the customer will be required to pay (1) the avoided monthly basic service charges associated with the rate schedule on which the customer was previously receiving service, plus (2) the reconnection fee in accordance with the above stated reconnection charges.

CUSTOMER RIGHTS AND REMEDIES

- 1. Dispute Resolution. Customers have the right to dispute the reasons for service refusal or termination. The Company has employees available to answer questions, to resolve complaints, to negotiate partial payment plans and to furnish information on its Equal Payment Plan in which the customer can elect to average electric bills so they can be the same each month of the year, provided any outstanding balance is paid.
- 2. Initiation Date. If a payment plan is agreed upon, service will not be terminated as long as the customer meets the requirements of the plan. If no payment plan can be mutually agreed upon, the customer may contact the Tennessee Regulatory Authority Public Service Commission. To use the dispute resolution process, the customer must contact the Company on or before the specified last payment date for net amount shown on the bill.

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3. Financial Assistance. A customer needing financial assistance may qualify for aid under certain federal, state or local programs. If a customer needs assistance in paying a electric service bill, the customer should contact the Upper East Tennessee Human Development Agency, phone: 246-6180.
4. Payment Pending Resolution. A customer who disputes a bill must notify the Company of the portion of the bill that is disputed and the reasons for disputing the bill. The customer does not have to pay that portion of a bill which is under dispute while the dispute process is underway. However, the greater of the undisputed portion of the bill or the customer's average monthly usage amount must be paid by the specified last payment date for net amount, or service will be terminated.
5. Medical Emergency. Electric service will be continued for a period of 30 days when a written certificate, signed by a physician, public health officer or social service official is furnished by the customer stating that an existing medical emergency at the residence will be aggravated by termination of service. During the 30-day extension, the customer should contact the Upper East Tennessee Human Development Agency, phone: 246-6180 for assistance in paying electric bills and arranging for continuation of electric service.
6. Critical Health Maintenance Appliances. It is the customer's responsibility to notify the Company if the household has an appliance which is critical for maintenance of the health of any of the residents. The Company will provide the necessary form for notification upon request from the customer.
7. Third Party Notification. Any customer may designate a third party, either an agency or an individual, to receive a copy of all termination notices. The Company will provide the necessary form for notification upon request from the customer.
8. Deferred Payment Plan. Any residential customer about to be disconnected for nonpayment of past due bills for electric service may have service continued if he/she enters into an agreement with the Company that the total amount due be paid in monthly payments until paid in full within the following six (6) month period in addition to their regular electric service bill. The customer shall be provided a copy of the agreement.
9. Winter Reconnection Plan. Any residential customer whose service has been disconnected for nonpayment and who has not been reconnected as of November 1 in any year shall have service reconnected if he/she makes a down payment agreeable with both the Company and the customer not to exceed twenty-five percent (25%) of the balance owed at the time of the service termination, and enters into an agreement with the Company that the balance of the amount past due be paid in monthly payments until paid in full within the following six (6) month period in addition to their regular electric service bill. The customer shall be provided a copy of this agreement.

If the Company and the customer cannot agree about the amount of the down payment, the Company shall inform the customer that he/she may appeal the Company's decision to the Tennessee Public Service Commission Regulatory Authority and provide the customer with the Commission's toll-free telephone number.

This program, to be known as the "Winter Reconnection Plan," will be in effect from November 1 through March 31 of any year.

10. Tenant Notification of Disconnection. At least thirty (30) days prior to the scheduled date of termination of service for nonpayment at commercially operated master metered multi-family projects, the Company will use its best efforts to notify tenants who are not direct customers of the Company. Posting of a notice of termination at the office of the project shall be deemed compliance with this provision.

FUEL AND PURCHASED POWER ADJUSTMENT RIDER

Kingsport Power is authorized under the terms of this rider to apply a charge to all customer bills rendered by the Company to recover the total cost of fuel and purchased power from the Company's wholesale power supplier under the Federal Energy Regulatory Commission implemented rate schedules, including, but not limited to, all demand charges, energy charges and fuel charges which are paid by the Company to its wholesale power supplier in connection with the electric service provided to the Company.

1. Updates to Fuel and Purchased Power Expense

Fuel and Purchased Power Adjustment Rider rates shall remain in effect until such time as new Rider rates are approved by the Tennessee Regulatory Authority. At least annually, the Company will file information regarding actual fuel and purchased power expenses and revenues collected under this Rider as well as any proposed adjustment to the Rider rates. The Fuel and Purchased Power Adjustment Rider 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. Prior period over/under recovery balances result from differences between the Company's actual total costs from its wholesale supplier and actual billing under the Rider.

2. Determination of Adjustments to Surcharges by Tariff

Adjustments to the level of recovery under the Fuel and Purchased Power Adjustment Rider shall be applied proportionally to all Fuel and Purchased Power Adjustment Rider rate components for all tariffs and special contracts.

3. Notification of Change in Charge by the Company

The Company will provide no less than a 30-day notice of the proposed effective date in any change in the purchased power charge to its customers. The Company will also provide the calculations and other information supporting the proposed purchased power charges to the Staff of the Tennessee Regulatory Authority 30 days prior to the effective date of such charge.

4. Charge

Pursuant to the provisions of this Rider, a Fuel and Purchased Power Adjustment Rider charge will be applied to each kilowatt-hour, kilowatt or lamp as billed under the Company's filed tariffs.

The Fuel and Purchased Power Adjustment Rider charge applicable to each tariff is set below:

<u>Tariff</u>	<u>Energy Rate</u>	<u>Demand Rate</u>	<u>Lamp Rate</u>
	<u>(¢) / kWh</u>	<u>(\$) / KW</u>	<u>(\$) / Lamp</u>
<u>Residential</u>			
All kWh	7.709		
Storage Water Heating	5.916		
<u>Residential Employee</u>			
All kWh	7.709		
Storage Water Heating	5.916		
<u>Residential Time-of-Day</u>			
On-peak kWh	8.825		
Off-peak kWh	5.916		

Issued:
By: Charles Patton, President

Effective:
Pursuant to an Order in
Docket Number

KINGSPORT POWER COMPANY
d/b/a AMERICAN ELECTRIC POWER
Kingsport, Tennessee

Original Sheet Number 2-14
L.R.A. Tariff Number 2

FUEL AND PURCHASED POWER ADJUSTMENT RIDER

<u>Tariff</u>	<u>Energy Rate</u>	<u>Demand Rate</u>	<u>Lamp Rate</u>
	<u>(¢) / kWh</u>	<u>(\$) / KW</u>	<u>(\$) / Lamp</u>
<u>Small General Service (SGS)</u>			
First 600 kWh	6.245		
Over 600 kWh	6.245		
<u>Medium General Service (MGS) Secondary</u>			
First 200 kWh per kW	6.951		
Over 200 kWh per kW	6.704		
<u>General Service Time-of-Day (GS-TOD)</u>			
On-peak kWh	7.440		
Off-peak kWh	5.770		
<u>Medium General Service (MGS) Primary</u>			
First 200 kWh per kW	6.952		
Over 200 kWh per kW	6.295		
<u>Large General Service (LGS) Secondary</u>			
Demand - kVA		\$ 4.60	
All kWh	4.822		
<u>Large General Service (LGS) Primary</u>			
Demand - kVA		\$ 4.60	
All kWh	4.290		
<u>LGS Subtransmission/Transmission</u>			
Demand - kVA		\$ 4.51	
All kWh	4.210		
<u>Industrial Power (IP) Secondary</u>			
Demand - On-Peak kW		\$10.12	
All kWh	3.987		
<u>Industrial Power (IP) Primary</u>			
Demand - On-Peak kW		\$ 9.83	
All kWh	3.862		
<u>Industrial Power (IP) Subtransmission/Transmission</u>			
Demand - On-Peak kW		\$10.65	
All kWh	3.801		

Issued:
By: Charles Patton, President

Effective:
Pursuant to an Order in

FUEL AND PURCHASED POWER ADJUSTMENT RIDER

Tariff	Energy Rate (¢) / kWh	Demand Rate (\$)/ KW	Lamp Rate (\$)/ Lamp
Church Service			
All kWh	7.098		
Public Schools (PS)			
Block 1 kWh Standard	7.788		
Block 2 kWh Electric Heating	7.788		
Electric Heating General (EHG)			
All kWh	6.937		
Outdoor Lighting (OL)			
Overhead Lighting Service			
High Pressure Sodium			
100 watts, 9,500 Lumens (094)			\$1.20
200 watts, 22,000 Lumens (097)			\$2.69
Flood Lighting Service			
High Pressure Sodium - Floodlight			
100 watts, 9,500 Lumens (115)			\$1.20
200 watts, 22,000 Lumens (107)			\$2.69
400 watts, 50,000 Lumens (109)			\$5.32
High Pressure Sodium - Shoebox			
400 watts, 50,000 Lumens (120)			\$5.32
Metal Halide - Floodlight			
250 watts, 17,000 Lumens (110)			\$3.20
400 watts, 28,800 Lumens (116)			\$5.06
Mercury Vapor			
175 watts, 7,000 Lumens (093)			\$2.30
400 watts, 20,000 Lumens (095)			\$5.06
Post Top Lighting Service			
High Pressure Sodium - PT			
100 watts, 9,500 Lumens (111)			\$1.20
150 watts, 16,000 Lumens (122)			\$1.87
250 watts, 27,500 Lumens (103)			\$3.29
Flood Lighting Service - PT			
High Pressure Sodium - Floodlight			
200 watts, 22,000 Lumens (123)			\$2.69
400 watts, 50,000 Lumens (124)			\$5.32
Metal Halide - Floodlight - PT			
400 watts, 36,000 Lumens (126)			\$5.06
Mercury Vapor - PT			
175 watts, 7,000 Lumens (099)			\$2.30

Issued:
By: Charles Patton, President

Effective:
Pursuant to an Order in
Docket Number

KINGSPORT POWER COMPANY
d/b/a AMERICAN ELECTRIC POWER
Kingsport, Tennessee

Original Sheet Number 2-16
T.R.A. Tariff Number 2

FUEL AND PURCHASED POWER ADJUSTMENT RIDER

<u>Tariff</u>	<u>Energy Rate</u>	<u>Demand Rate</u>	<u>Lamp Rate</u>
	(¢) / kWh	(\$)/ KW	(\$)/ Lamp
<u>Backup Service</u>			
<u>Service Reliability Level A</u>			
Secondary		\$ 0.44	
Primary		\$ 0.43	
Sub/Transmission		\$ 0.42	
<u>Service Reliability Level B</u>			
Secondary		\$ 0.87	
Primary		\$ 0.85	
Sub/Transmission		\$ 0.83	
<u>Service Reliability Level C</u>			
Secondary		\$ 1.31	
Primary		\$ 1.28	
Sub/Transmission		\$ 1.25	
<u>Service Reliability Level D</u>			
Secondary		\$ 1.74	
Primary		\$ 1.69	
Sub/Transmission		\$ 1.66	
<u>Service Reliability Level E</u>			
Secondary		\$ 2.18	
Primary		\$ 2.12	
Sub/Transmission		\$ 2.08	
<u>Service Reliability Level F</u>			
Secondary		\$ 2.61	
Primary		\$ 2.54	
Sub/Transmission		\$ 2.49	
<u>Maintenance Service</u>			
Secondary	4.198		
Primary	4.068		
Sub/Transmission	4.002		

Issued:
By: Charles Patton, President

Effective:
Pursuant to an Order in
Docket Number

TARIFF R. S.
(Residential Electric Service)

AVAILABILITY OF SERVICE

Available for residential electric service through one meter to individual residential customers including rural residential customers engaged principally in agricultural pursuits.

MONTHLY RATE (Tariff Code 015)

<u>Service Charge</u>	\$ 7.40 <u>12.63</u> per customer
<u>Energy Charge</u>	4.87 <u>30.325</u> cents per KWH

MINIMUM CHARGE

This tariff is subject to a minimum monthly charge equal to the service charge.

FUEL AND PURCHASED POWER ADJUSTMENT RIDER

All bills for service according to the rates set forth herein will include charges under the Fuel and Purchased Power Adjustment Rider.

FUEL CLAUSE

When the unit cost of fuel in the charges for power purchased from Appalachian Power Company under Federal Energy Regulatory Commission rate schedule No. 23 is above or below a base unit price of 15.8563 mills per KWH, adjusted for losses, the bill for service shall be increased or decreased respectively at a rate per KWH equal to the amount that such cost of fuel is above or below the unit base cost of 15.8563 mills per KWH, adjusted for losses, applied to the KWH measured in the period for which the bill is rendered. The adjustment shall be based on the most recent calendar month for which fuel cost data is available.

PROMPT PAYMENT DISCOUNT

A discount of 1.5 percent will be allowed if account is paid in full within 15 days of date of bill.

LOAD MANAGEMENT WATER HEATING PROVISION (Tariff Code 011)

For residential customers who install a Company-approved load management water heating system which consumes electrical energy primarily during off-peak hours specified by the Company and stores hot water for use during on-peak hours, of minimum capacity of 80 gallons, the last 250 KWH of use in any month shall be billed at ~~2.25~~ 0.000 cents per KWH.

This provision, however, shall in no event apply to the first 200 KWH used in any month, which shall be billed in accordance with the MONTHLY RATE as set forth above.

For the purpose of this provision, the on-peak billing period is defined as 6:00 a.m. to 9:00 p.m. local time for all weekdays, Monday through Friday. The off-peak billing period is defined as 9:00 p.m. to 6:00 a.m. for all weekdays, all hours of the day on Saturdays and Sundays, and the legal holidays of New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

The Company reserves the right to inspect at all reasonable times the load management water heating system and devices which qualify the residence for service under the load management water heating provision, and to ascertain by any reasonable means that the time-differentiated load characteristics of such devices meet the Company's specifications. If the Company finds that in its sole judgment the availability conditions of this provision are being violated, it may discontinue billing the customer under this provision and commence billing under the standard monthly rate.

This provision is subject to the service charge as stated in the above monthly rate.

TERM OF CONTRACT

A written contract may, at the Company's option, be required to fulfill the provisions of the Terms and Conditions of Service.

SPECIAL TERMS AND CONDITIONS

This tariff is subject to the Company's Terms and Conditions of Service.

This tariff is available for single-phase residential service. Where the residential customer requests three-phase service, this tariff will apply if the residential customer pays the Company the difference between constructing single-phase service and three-phase service. Where motors or heating equipment are used for commercial or industrial purposes, the applicable general service tariff will apply to such service.

TARIFF R. S.-E.
(Residential Electric Service - Employee)

AVAILABILITY OF SERVICE:

Available for residential electric service through one meter to current regular and retired employees of the Company. This tariff is not available to employees hired after December 31, 2016.

MONTHLY RATE (Tariff Code 018)

Service Charge \$ 7.3012.63 per customer

Energy Charge 4.1420.000 cents per KWH

MINIMUM CHARGE

This tariff is subject to a minimum monthly charge equal to the service charge.

FUEL AND PURCHASED POWER ADJUSTMENT RIDER

All bills for service according to the rates set forth herein will include charges under the Fuel and Purchased Power Adjustment Rider.

FUEL CLAUSE

When the unit cost of fuel in the charges for power purchased from Appalachian Power Company under Federal Energy Regulatory Commission rate schedule No. 23 is above or below a base unit price of 15.8563 mills per KWH, adjusted for losses, the bill for service shall be increased or decreased respectively at a rate per KWH equal to the amount that such cost of fuel is above or below the unit base cost of 15.8563 mills per KWH, adjusted for losses, applied to the KWH measured in the period for which the bill is rendered. The adjustment shall be based on the most recent calendar month for which fuel cost data is available.

PROMPT PAYMENT DISCOUNT

A discount of 1.5 percent will be allowed if account is paid in full within 15 days of date of bill.

LOAD MANAGEMENT WATER HEATING PROVISION (Tariff Code 051)

For residential customers who install a Company-approved load management water heating system which consumes electrical energy primarily during off-peak hours specified by the Company and stores hot water for use during on-peak hours, of minimum capacity of 80 gallons, the last 250 KWH of use in any month shall be billed at 2.7530.000 cents per KWH.

This provision, however, shall in no event apply to the first 200 KWH used in any month, which shall be billed in accordance with the MONTHLY RATE as set forth above.

For the purpose of this provision, the on-peak billing period is defined as 6:00 a.m. to 9:00 p.m. local time for all weekdays, Monday through Friday. The off-peak billing period is defined as 9:00 p.m. to 6:00 a.m. for all weekdays, all hours of the day on Saturdays and Sundays, and the legal holidays of New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

The Company reserves the right to inspect at all reasonable times the storage water heating system and devices which qualify the residence for service under the storage water heating provision, and to ascertain by any reasonable means that the time-differentiated load characteristics of such devices meet the Company's specifications. If the Company finds that in its sole judgment the availability conditions of this provision are being violated, it may discontinue billing the customer under this provision and commence billing under the standard monthly rate.

This provision is subject to the service charge as stated in the above monthly rate.

TERM OF CONTRACT

A written contract may, at the Company's option, be required to fulfill the provisions of the Terms and Conditions of Service.

SPECIAL TERMS AND CONDITIONS

This tariff is subject to the Company's Terms and Conditions of Service.

This tariff is available for single-phase residential service. Where the residential customer requests three-phase service, this tariff will apply if the residential customer pays the Company the difference between constructing single-phase service and three-phase service. Where motors or heating equipment are used for commercial or industrial purposes, the applicable general service tariff will apply to such service.

The Tariff R. S. gross amount will apply if payment of account in full is not received by the date due.

Issued: ~~March 24, 1997~~

By: ~~D. Carson, Vice~~ Charles Patton, President

Effective: ~~May 4, 1997~~

Pursuant to an Order in

Docket _____ Number

TARIFF R.S.-L.M.-T.O.D.
(Residential Load Management Time-Of-Day Electric Service)

AVAILABILITY OF SERVICE

Available to residential customers who use energy storage devices with time differentiated load characteristics approved by the Company, such as electric thermal storage space heating and/or cooling systems and water heaters which consume electrical energy only during off-peak hours specified by the Company and store energy for use during on-peak hours.

Households eligible to be served under this Tariff shall be metered through one single phase multiple register meter capable of measuring electrical energy consumption during the on-peak and off-peak billing periods.

MONTHLY RATE (Tariff Code 032)

Service Charge \$ 12.25 per customer

Energy Charge:

For all KWH used during the on-peak billing period 7.541 cents per KWH

For all KWH used during the off-peak billing period 2.735 cents per KWH

For the purpose of this Tariff, the on-peak billing period is defined as 6:00 a.m. to 9:00 p.m. local time for all weekdays, Monday through Friday. The off-peak billing period is defined as 9:00 p.m. to 6:00 a.m. for all weekdays, all hours of the day on Saturdays and Sundays, and the legal holidays of New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

CONSERVATION AND LOAD MANAGEMENT CREDIT

For the combination of an approved electric thermal storage space heating and/or cooling system and water heater, all of which are designed to consume electrical energy only during the off-peak billing period as previously described in this tariff, each residence will be credited 0.937 cents per KWH for all KWH used during the off-peak billing period, for a total of 60 monthly billing periods following the installation and use of these devices in such residence.

MINIMUM CHARGE

This tariff is subject to a minimum monthly charge equal to the service charge.

FUEL CLAUSE

When the unit cost of fuel in the charges for power purchased from Appalachian Power Company under Federal Energy Regulatory Commission rate schedule No. 23 is above or below a base unit price of 15.8563 mills per KWH, adjusted for losses, the bill for service shall be increased or decreased respectively at a rate per KWH equal to the amount that such cost of fuel is above or below the unit base cost of 15.8563 mills per KWH, adjusted for losses, applied to the KWH measured in the period for which the bill is rendered. The adjustment shall be based on the most recent calendar month for which fuel cost data is available.

PROMPT PAYMENT DISCOUNT

A discount of 1.5 percent will be allowed if account is paid in full within 15 days of date of bill.

SEPARATE METERING PROVISION

Customers shall have the option of receiving service under the R.S. or R.S.-L.M. tariff for general use load by separately wiring such load to a standard residential meter.

TERM OF CONTRACT

A written contract may, at the Company's option, be required to fulfill the provisions of the Terms and Conditions of Service.

TARIFF-R-8-1a, M-1, O, D.
(Residential Load Management Time-Of-Day Electric Service)

SPECIAL TERMS AND CONDITIONS

This tariff is subject to the Company's Terms and Conditions of Service.

The Company reserves the right to inspect at all reasonable times the energy storage devices which qualify the residence for service and for conservation and load management credit under this Tariff, and to ascertain by any reasonable means that the time-differentiated load characteristics of such devices meet the Company's specifications. If the Company finds that in its sole judgment the availability conditions of this Tariff are being violated, it may discontinue billing the customer under this Tariff and commence billing under the appropriate Residential Service Tariff.

This tariff is available for single-phase residential service. Where the residential customer requests three-phase service, this tariff will apply if the residential customer pays to the Company the difference between constructing single-phase service and three-phase service. Where motors or heating equipment are used for commercial or industrial purposes, the applicable general service tariff will apply to such service.

TARIFF R.S.-T.O.D.
(Residential Time-of-Day Electric Service)

AVAILABILITY OF SERVICE

Available for residential electric service through one single-phase multiple-register meter capable of measuring electrical energy consumption during the on-peak and off-peak billing periods to individual residential customers. Availability is limited to the first 250 customers applying for service under this tariff.

MONTHLY RATE

Service Charge \$ ~~43.35~~ 26.70 per customer

Energy Charge:

Tariff Code 030 For all KWH used during the on-peak billing period . . . 7.5441 876 cents per KWH
Tariff Code 031 For all KWH used during the off-peak billing period . . . 2.7550 000 cents per KWH

For the purpose of this tariff, the on-peak billing period is defined as 6:00 a.m. to 9:00 p.m. local time for all weekdays, Monday through Friday. The off-peak billing period is defined as 9:00 p.m. to 6:00 a.m. for all weekdays, all hours of the day on Saturdays and Sundays, and the legal holidays of New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

MINIMUM CHARGE

This tariff is subject to a minimum monthly charge equal to the service charge.

FUEL AND PURCHASED POWER ADJUSTMENT RIDER

All bills for service according to the rates set forth herein will include charges under the Fuel and Purchased Power Adjustment Rider.

FUEL CLAUSE

When the unit cost of fuel in the charges for power purchased from Appalachian Power Company under Federal Energy Regulatory Commission rate schedule No. 23 is above or below a base unit price of 15.8563 mills per KWH, adjusted for losses, the bill for service shall be increased or decreased respectively at a rate per KWH equal to the amount that such cost of fuel is above or below the unit base cost of 15.8563 mills per KWH, adjusted for losses, applied to the KWH measured in the period for which the bill is rendered. The adjustment shall be based on the most recent calendar month for which fuel cost data is available.

PROMPT PAYMENT DISCOUNT

A discount of 1.5 percent will be allowed if account is paid in full within 15 days of date of bill.

TERM OF CONTRACT

A written contract may, at the Company's option, be required to fulfill the provisions of the Terms and Conditions of Service.

SPECIAL TERMS AND CONDITIONS

This tariff is subject to the Company's Terms and Conditions of Service.

This tariff is intended for single-phase residential service. Where the residential customer requests three-phase service, this tariff will apply if the residential customer pays to the Company the difference between constructing single-phase service and three-phase service. Where motors or heating equipment are used for commercial or industrial purposes, the applicable general service tariff will apply to such service.

**TARIFF S. G. S.
(Small General Service)**

AVAILABILITY OF SERVICE

Available for general service to customers with normal maximum demands of less than 10 KW (excluding the demand served under the Load Management Time-of-Day provision).

MONTHLY RATE (Tariff Codes 231-233)

Service Charge \$ ~~8.84~~ 15.25 per customer

Energy Charge:

For the first 600 KWH used per month ~~6.79~~ 23.225 cents per KWH

For all over 600 KWH used per month ~~5.64~~ 2.076 cents per KWH

MINIMUM CHARGE

This tariff is subject to a minimum monthly charge equal to the service charge.

FUEL AND PURCHASED POWER ADJUSTMENT RIDER

All bills for service according to the rates set forth herein will include charges under the Fuel and Purchased Power Adjustment Rider.

FUEL CLAUSE

When the unit cost of fuel in the charges for power purchased from Appalachian Power Company under Federal Energy Regulatory Commission rate schedule No. 23 is above or below a base unit price of 15.8563 mills per KWH, adjusted for losses, the bill for service shall be increased or decreased respectively at a rate per KWH equal to the amount that such cost of fuel is above or below the unit base cost of 15.8563 mills per KWH, adjusted for losses, applied to the KWH measured in the period for which the bill is rendered. The adjustment shall be based on the most recent calendar month for which fuel cost data is available.

PROMPT PAYMENT DISCOUNT

A discount of 1.5 percent will be allowed if account is paid in full within 15 days of date of bill.

TERM OF CONTRACT

A written contract may, at the Company's option, be required to fulfill the provisions of the Terms and Conditions of Service.

SPECIAL TERMS AND CONDITIONS

This tariff is subject to the Company's Terms and Conditions of Service.

LOAD MANAGEMENT TIME-OF-DAY PROVISION

Available to customers who use energy storage devices with time-differentiated load characteristics approved by the Company, such as electric thermal storage space heating and air cooling systems and water heaters, which consume electrical energy only during off-peak hours specified by the Company and store energy for use during on-peak hours.

Customers who desire to separately wire their load management load to a time-of-day meter and their general-use load to a standard meter shall receive service for both under the appropriate provisions of this tariff.

The customer shall be responsible for all local facilities required to take service under this provision.

Monthly Rate

Tariff ~~Service Charge~~ \$ ~~14.85~~ per customer

Code 225

Energy Charge:

For all KWH used during the on-peak billing period ~~9.203~~ cents per KWH

For all KWH used during the off-peak billing period ~~2.755~~ cents per KWH

For the purpose of this tariff, the on-peak billing period is defined as 6:00 a.m. to 9:00 p.m. local time for all weekdays, Monday through Friday. The off-peak billing period is defined as 9:00 p.m. to 6:00 a.m. for all weekdays, all hours of the day on Saturdays and Sundays, and the legal holidays of New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

Issued: October 20, 1992
By: Michael L. Holzeppelt, Charles Patton, President
Kingsport, Tennessee

Effective: November 3, 1992
Pursuant to an Order in
Docket Number 92-04425

KINGSPORT POWER COMPANY
d/b/a AEP Appalachian Power
Kingsport, Tennessee

Original Sheet Number 8-1
T.R.A.P.S.A. Tariff Number 42

TARIFF M. G. S.
(Medium General Service)

AVAILABILITY OF SERVICE

Available for general service customers with normal maximum demands of 10 KW or greater. Service is not available for new customers with normal maximum demands in excess of 100 KW. Customers receiving service under Tariff S.G.S. prior to the effective date of this tariff June 3, 1987 with demands in excess of 100 KW may continue to qualify for service under this tariff until such time as their normal maximum demand exceeds the existing contract capacity.

MONTHLY RATE

Tariff Code	Service Voltage	
	Secondary (235) Tariff Code	Primary (237)
<u>Service Charge</u>		
Per Customer	\$24,504.00	\$93,851.00
<u>Energy Charge:</u>		
For all KWH equal to the first 200 times the KW of monthly billing demand	7.3743438 cents	6.8642927 cents
For all KWH in excess of 200 times the KW of monthly billing demand	3.6800.000 cents	3.3800.000 cents
<u>Demand Charge:</u>		
Per KW	\$2.20	\$2.15

MINIMUM CHARGE

This tariff is subject to a minimum monthly charge equal to the sum of the service charge and the product of the demand charge and the monthly billing demand.

FUEL AND PURCHASED POWER ADJUSTMENT RIDER

All bills for service according to the rates set forth herein will include charges under the Fuel and Purchased Power Adjustment Rider.

FUEL CLAUSE

When the unit cost of fuel in the charges for power purchased from Appalachian Power Company under Federal Energy Regulatory Commission rate schedule No. 23 is above or below a base unit price of 15.8563 mills per KWH, adjusted for losses, the bill for service shall be increased or decreased respectively at a rate per KWH equal to the amount that such cost of fuel is above or below the unit base cost of 15.8563 mills per KWH, adjusted for losses, applied to the KWH measured in the period for which the bill is rendered. The adjustment shall be based on the most recent calendar month for which fuel cost data is available.

PROMPT PAYMENT DISCOUNT

A discount of 1.5 percent will be allowed if account is paid in full within 15 days of date of bill.

MEASUREMENT OF ENERGY AND DETERMINATION OF DEMAND

Energy supplied hereunder will be delivered through not more than one single-phase and/or one poly-phase meter. The billing demand in KW shall be taken each month as the single highest 15-minute integrated peak in kilowatts as registered during the month by a demand meter or indicator, or at the Company's option, as the highest registration of a thermal type demand meter or indicator. Where energy is delivered through two meters, the monthly billing demand will be taken as the sum of the two demands separately determined. For the purpose of billing, no demand shall be taken as less than 6 KW.

METERED VOLTAGE

The rates set forth in this tariff are based upon the delivery and incasurement of energy at the same voltage, thus measurement will be made at or compensated to the delivery voltage. At the sole discretion of the Company, such compensation may be achieved through the use of loss compensating equipment, the use of formulas and KW to calculate losses or the application of multipliers to the metered quantities. In such cases, the metered KWH and KW values will be adjusted for billing purposes. If the Company elects to adjust

KWH and KW based on multipliers, the adjustment shall be in accordance with the following:

- (1) Measurements taken at the low-side of a customer-owned transformer will be multiplied by 1.01.
- (2) Measurements taken at the high-side of a Company-owned transformer will be multiplied by 0.98.

Issued: ~~October 30, 1992~~

By: ~~Michael J. Holzapfel~~ Charles Patton, President
~~Kingsport, Tennessee~~

Effective: ~~November 3, 1992~~

Pursuant to an Order in
Docket Number ~~92-04425~~

**TARIFF M. G. S.
(Medium General Service)**

TERM OF CONTRACT

A written contract may, at the Company's option, be required to fulfill the provisions of the Terms and Conditions of Service.

SPECIAL TERMS AND CONDITIONS

This tariff is subject to the Company's Terms and Conditions of Service.

This tariff is also available to customers having other sources of electric energy supply. Where such conditions exist, the customer shall contract for the maximum amount of demand in KW which the Company might be required to furnish, but not less than 10 KW nor more than 100 KW. The Company shall not be obligated to supply demands in excess of that contracted for. In the event that the customer's actual demand, as determined by demand meter or indicator, in any month exceeds the amount of the customer's then existing contract demand, the contract demand shall then be increased automatically to the maximum demand so created by the customer. Where service is supplied under the provisions of this paragraph, the billing demand defined under paragraph A "Measurement of Energy and Determination of Demand" shall not be less than the Contract Demand, and the minimum charge shall be as follows instead of the minimum charge set forth under paragraph A "Minimum Charge" above:

Service Charge \$ 21.50 per customer

Each KW of Contract Demand \$ 3.60 per KW

LOAD MANAGEMENT TIME-OF-DAY PROVISION

Available to customers who use energy storage devices with time-differentiated load characteristics approved by the Company, such as electric thermal storage space heating and/or cooling systems and water heaters, which consume electrical energy only during off-peak hours specified by the Company and state energy for use during on-peak hours.

Customers who desire to separately wire their load management load to a time-of-day meter and their general use load to a standard meter shall receive service for both under the appropriate provisions of this tariff.

The customer shall be responsible for all local facilities required to take service under this provision.

MONTHLY RATE

Tariff Service Charge \$ 23.45 per customer

Code Energy Charge:

223 For all KWH used during the on-peak billing period 8.47 cents per KWH

For all KWH used during the off-peak billing period 2.755 cents per KWH

For the purpose of this provision, the on-peak billing period is defined as 6:00 a.m. to 9:00 p.m. local time, for all weekdays, Monday through Friday. The off-peak billing period is defined as 9:00 p.m. to 6:00 a.m. local time, for all weekdays, all hours of the day on Saturdays and Sundays, and the legal holidays of New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

TARIFF 44-G.S.-T.O.D.
(Medium General Service - Time-of-Day)

AVAILABILITY OF SERVICE

Available for general service customers with demands greater than 10 KW but less than 300100 KW. Current customers with demands in excess of 100 KW will continue to receive service under this tariff. Availability is limited to the first 100 customers applying for service under this tariff.

MONTHLY RATE (Tariff Code 229)

Service Charge \$23.4550.00 per customer

Energy Charge:

For all KWH used during the on-peak billing period 8.8474.422 cents per KWH

For all KWH used during the off-peak billing period. 2.7350.000 cents per KWH

For the purpose of this tariff, the on-peak billing period is defined as 6:00 a.m. to 9:00 p.m. local time for all weekdays, Monday through Friday. The off-peak billing period is defined as 9:00 p.m. to 6:00 a.m. for all weekdays, all hours of the day on Saturdays and Sundays, and the legal holidays of New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

MINIMUM CHARGE

This tariff is subject to a minimum monthly charge equal to the service charge.

FUEL AND PURCHASED POWER ADJUSTMENT RIDER

All bills for service according to the rates set forth herein will include charges under the Fuel and Purchased Power Adjustment Rider.

FUEL CLAUSE

When the unit cost of fuel in the charges for power purchased from Appalachian Power Company under Federal Energy Regulatory Commission rate schedule No. 23 is above or below a base unit price of 15.8563 mills per KWH, adjusted for losses, the bill for service shall be increased or decreased respectively at a rate per KWH equal to the amount that such cost of fuel is above or below the unit base cost of 15.8563 mills per KWH, adjusted for losses, applied to the KWH measured in the period for which the bill is rendered. The adjustment shall be based on the most recent calendar month for which fuel cost data is available.

PROMPT PAYMENT DISCOUNT

A discount of 1.5 percent will be allowed if account is paid in full within 15 days of date of bill.

METERED VOLTAGE

The rates set forth in this tariff are based upon the delivery and measurement of energy at the same voltage, thus measurement will be made at or compensated to the delivery voltage. At the sole discretion of the Company, such compensation may be achieved through the use of loss compensating equipment, the use of formulas to calculate losses or the application of multipliers to the metered quantities. In such cases, the metered KWH values will be adjusted for billing purposes. If the Company elects to adjust KWH based on multipliers, the adjustment shall be 0.98 when measurements are taken at the high-side of a Company-owned transformer.

TERM OF CONTRACT

A written contract may, at the Company's option, be required to fulfill the provisions of the Terms and Conditions of Service.

SPECIAL TERMS AND CONDITIONS

This tariff is subject to the Company's Terms and Conditions of Service.

Issued:
By: R. D. Carson, Vice Charles Patton, President

Effective: February 1, 1998
Pursuant to an Order in
Docket Number 97-07649

**TARIFF L. G. S.
(Large General Service)**

AVAILABILITY OF SERVICE

Available for general service customers with normal maximum demands greater than 100 KVA but less than 3,000 KVA.

MONTHLY RATE

<u>Tariff Code</u>	<u>Service Voltage</u>	<u>Demand Charge per KVA</u>	<u>Energy Charge per KWH</u>	<u>Service Charge</u>
240-242	Secondary	\$ 3,796.72	2,8690.787 cents	\$ 77,85156.00
244-246	Primary	\$ 2,685.96	2,4010.851 cents	\$ 163,60330.00
248	Subtransmission/Transmission	\$ 2,603.31	2,7090.835 cents	\$ 416,00832.00

MINIMUM CHARGE

This tariff is subject to a minimum monthly charge equal to the sum of the service charge and the product of the demand charge and the monthly billing demand and the fuel clause adjustment.

FUEL AND PURCHASED POWER ADJUSTMENT RIDER

All bills for service according to the rates set forth herein will include charges under the Fuel and Purchased Power Adjustment Rider.

FUEL CLAUSE

When the unit cost of fuel in the charges for power purchased from Appalachian Power Company under Federal Energy Regulatory Commission rate schedule No. 23 is above or below a base unit price of 15.8563 mills per KWH, adjusted for losses, the bill for service shall be increased or decreased respectively at a rate per KWH equal to the amount that such cost of fuel is above or below the unit base cost of 15.8563 mills per KWH, adjusted for losses, applied to the KWH measured in the period for which the bill is rendered. The adjustment shall be based on the most recent calendar month for which fuel cost data is available.

PROMPT PAYMENT DISCOUNT

A discount of 1.5 percent will be allowed if account is paid in full within 15 days of date of bill.

MEASUREMENT OF ENERGY AND DETERMINATION OF DEMAND

Energy supplied hereunder will be delivered through not more than one single-phase and/or one poly-phase meter. Billing demand in KVA shall be taken each month as the single highest 15-minute integrated peak in KW as registered during the month by 15-minute integrating demand meter or indicator, or at the Company's option as the highest registration of a thermal type demand meter or indicator, divided by the average monthly power factor established during the month, corrected to the nearest KVA. Where energy is delivered through two meters, the billing demand will be taken as the sum of the two demands separately determined. Monthly billing demand established hereunder shall not be less than 60 percent of the greater of (a) the customer's contract capacity, (b) the customer's highest previously established monthly billing demand during the past 11 months or (c) 100 KVA. If more than 50 percent of the customer's connected load is for electric space heating purposes, the minimum monthly billing demand will be 25 percent of the greater of (a) the customer's contract capacity, (b) the customer's highest previously established monthly billing demand during the past 11 months or (c) 100 KVA for the billing months of April through September.

ADJUSTMENTS TO RATE

Bills computed under the rate set forth herein will be adjusted as follows:

A. Power Factor

The rate set forth in this tariff is subject to power factor based upon the maintenance by the customer of an average monthly power factor of 85% leading or lagging as measured by integrating meters. When the average monthly power factor is above or below 85% leading or lagging, the KWH as measured will, for billing purposes, be multiplied by the constant, rounded to the nearest 0.001, derived from the following formula:

TARIFF L. G. S.
(Large General Service)

$$\text{Constant} = 0.9510 + \left(0.1275 \left(\frac{\text{KVAH}}{\text{KWH}} \right)^2 \right)$$

~~METERED VOLTAGE~~ — ~~Metered Voltage~~

The rates set forth in this Tariff are based upon the delivery and measurement of energy at the same voltage, thus measurement will be made at or compensated to the delivery voltage. At the sole discretion of the Company such compensation may be achieved through the use of loss compensating equipment, the use of formulas to calculate losses or the application of multipliers to the metered quantities. In such cases, the metered KWH and KVA values will be adjusted for billing purposes. If the Company elects to adjust KWH and KVA based on multipliers, the adjustment shall be in accordance with the following:

1. Measurements taken at the low-side of a customer-owned transformer will be multiplied by 1.01.
2. Measurements taken at the high-side of a Company-owned transformer will be multiplied by 0.98.

TERM OF CONTRACT

For customers with annual average demands greater than 500 KVA, contracts will be required for an initial period of not less than 1 year and shall remain in effect thereafter until either party shall give at least 6 months' prior written notice to the other of the intention to discontinue service under the terms of this tariff. For customers with demands less than 500 KVA, a written contract may, at the Company's option, be required to fulfill the provisions of the Terms and Conditions of Service.

Where new Company facilities are required, the Company reserves the right to require initial contracts for periods greater than 1 year for all customers served under this tariff.

A new initial contract period will not be required for existing customers who increase their contract requirements after the original initial period unless new or additional facilities are required.

The Company shall not be required to supply capacity in excess of that contracted for except by mutual agreement.

SPECIAL TERMS AND CONDITIONS

This tariff is subject to the Company's Terms and Conditions of Service.

This tariff is also available to customers having other sources of energy who desire to purchase standby or back-up service from the Company. Where such service is required, the customer can either take service under Tariff S.B.S. or under the provisions of this paragraph. The customer shall contract for the maximum amount of demand in KVA which the Company might be required to furnish, but not less than 100 KVA nor more than 3,000 KVA. The Company shall not be obligated to supply demands in excess of that contracted for. Where service is supplied under the provisions of this paragraph, the billing demand each month shall be the highest determined for the current and previous two billing periods, and the minimum monthly charge shall be as set forth under paragraph "Minimum Charge" above.

TARIFF I.P.
(Industrial Power)

AVAILABILITY OF SERVICE

Available to industrial and large commercial customers. Customers shall contract for a definite amount of electrical capacity in KW which shall be sufficient to meet normal maximum requirements but in no case shall the capacity contracted for be less than 3,000 KW. Contract capacities will be specified in multiples of 100 KW.

MONTHLY RATE

Tariff Code	Service Voltage	Demand Charge per KW	Off-Peak Excess Demand Charge per KW	Energy Charge per KWH	Service Charge
327	Secondary	\$5.70	\$5.70	0.000 cents	\$308.00
322	Primary	\$8,794.41	\$2,574.41	2,3020.000 cents	\$240,00180.00
323, 324	Subtransmission/Transmission	\$7,792.41	\$1,611.42	2,2690.000 cents	\$739,003,860.00
324	Transmission	\$7.60	\$1.40	2.241 cents	\$1,930.00

Reactive Demand Charge for each Kilovar of Lagging Reactive Demand
in excess of 50 percent of the KW of monthly metered demand \$0.75 per KVAR

MINIMUM CHARGE

This tariff is subject to a minimum monthly charge equal to the sum of the service charge and the product of the demand charge and the monthly billing demand and the fuel clause adjustment.

FUEL AND PURCHASED POWER ADJUSTMENT RIDER

All bills for service according to the rates set forth herein will include charges under the Fuel and Purchased Power Adjustment Rider.

FUEL CLAUSE

When the unit cost of fuel in the charges for power purchased from Appalachian Power Company under Federal Energy Regulatory Commission rate schedule No. 23 is above or below a base unit price of 15.8563 mills per KWH, adjusted for losses, the bill for service shall be increased or decreased respectively at a rate per KWH equal to the amount that such cost of fuel is above or below the unit base cost of 15.8563 mills per KWH, adjusted for losses, applied to the KWH measured in the period for which the bill is rendered. The adjustment shall be based on the most recent calendar month for which fuel cost data is available.

PROMPT PAYMENT DISCOUNT

A discount of 1.5 percent will be allowed if account is paid in full within 15 days of date of bill.

DETERMINATION OF DEMAND

The billing demand in KW shall be taken each month as the single highest 30-minute integrated peak in KW as registered during the on-peak period by a demand meter or indicator. The monthly billing demand so established shall in no event be less than 60% of the greater of (a) the customer's contract capacity or (b) the customer's highest previously established monthly billing demand during the past 11 months nor less than 3,000 KW. The off-peak excess demand shall be the amount by which the demand created during the off-peak period exceeds the monthly billing demand.

The reactive demand in KVARs shall be taken each month as the single highest 30-minute integrated peak in KVARs as registered during the month by a demand meter or indicator, or, at the Company's option, as the highest registration of a thermal type demand meter or indicator.

For the purpose of this provision, the on-peak billing period is defined as 6 a.m. to 9 p.m. local time for all weekdays, Monday through Friday. The off-peak billing period is defined as 9 p.m. to 6 a.m. for all weekdays, all hours of the day on Saturdays and Sundays, and the legal holidays of New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

METERED VOLTAGE

The rates set forth in this tariff are based upon the delivery and measurement of energy at the same voltage, thus measurement will be made at or compensated to the delivery voltage. At the sole discretion of the Company, such compensation may be achieved through the use of loss compensating equipment, the use of formulas to calculate losses or the application of multipliers to the metered quantities. In such cases, the metered KWH and KW values will be adjusted for billing purposes. If the Company elects to adjust KWH and KW based on multipliers, the adjustment shall be in accordance with the following:

1. Measurements taken at the low-side of a customer-owned transformer will be multiplied by 1.01.
2. Measurements taken at the high-side of a Company-owned transformer will be multiplied by 0.98.

Issued:
By: R. L. Carson, Vice Charles Patton, President

Effective: For Bills Rendered On and
After December 22, 1997.

Kingport, Tennessee

Pursuant to an order in
Docket Number ~~97-01447~~

**TARIFF I.P.
(Industrial Power)**

TERM OF CONTRACT

Contracts under this tariff will be made for an initial period of not less than 5 years and shall remain in effect thereafter until either party shall give at least 12 months' written notice to the other of the intention to discontinue service under the terms of this tariff. Where new Company facilities are required, the Company reserves the right to require initial contracts for periods of greater than 5 years.

A new initial contract period will not be required for existing customers who increase their contract requirements after the original initial period unless new or additional facilities are required.

The Company shall not be required to supply capacity in excess of that contracted for except by mutual agreement.

SPECIAL TERMS AND CONDITIONS

This tariff is subject to the Company's Terms and Conditions of Service.

This tariff is also available to customers having other sources of energy who desire to purchase standby or back-up service from the Company. Where such service is required, the customer can either take service under Tariff S.B.S. or under the provisions of this paragraph. The customer shall contract for the maximum amount of demand in KW which the Company might be required to furnish, but not less than 3,000 KW. The Company shall not be obligated to supply demands in excess of that contracted for. Where service is supplied under the provisions of this paragraph, the billing demand each month shall be the highest determined for the current and previous two billing periods, and the minimum monthly charge shall be as set forth under paragraph "Minimum Charge" above.

Customers having other sources of energy who desire to purchase standby or back-up service from the Company may also purchase such service under Special Contract with the Company.

A customer's plant is considered as one or more buildings which are served by a single electrical distribution system provided and operated by customer. When the size of the customer's load necessitates the delivery of energy to the customer's plant over more than one circuit, the Company may elect to connect its circuits to different points on the customer's system irrespective of contrary provisions in Terms and Conditions of Service.

Issued:
By: R. D. Gibson, Vice President
Kingsport, Tennessee

Effective: For Bills Rendered On and
After December 22, 1997.
Pursuant to an order in
Docket Number 97-01447

TARIFF E. H. G.
(Electric Heating General)

AVAILABILITY OF SERVICE

Available for the total requirements of general service customers who operate electric heating equipment which supplies the entire space heating requirements of the customer's premises.

MONTHLY RATE (Tariff Codes 208-209)

Service Charge \$ ~~25.10~~50.18 per customer
Energy Charge ~~5.5161~~5.69 cents per KWH
Demand Charge \$ ~~2.34~~3.51 for each KW of monthly billing
demand in excess of 30 KW.

MINIMUM CHARGE

This tariff is subject to a minimum monthly charge equal to the sum of the service charge ~~and~~ the product of the demand charge and the monthly billing demand ~~and the fuel clause adjustment.~~

FUEL AND PURCHASED POWER ADJUSTMENT RIDER

All bills for service according to the rates set forth herein will include charges under the Fuel and Purchased Power Adjustment Rider.

FUEL CLAUSE

When the unit cost of fuel in the charges for power purchased from Appalachian Power Company under Federal Energy Regulatory Commission rate schedule No. 23 is above or below a base unit price of 15.8563 mills per KWH, adjusted for losses, the bill for service shall be increased or decreased respectively at a rate per KWH equal to the amount that such cost of fuel is above or below the unit base cost of 15.8563 mills per KWH, adjusted for losses, applied to the KWH measured in the period for which the bill is rendered. The adjustment shall be based on the most recent calendar month for which fuel cost data is available.

PROMPT PAYMENT DISCOUNT

A discount of 1.5 percent will be allowed if account is paid in full within 15 days of date of bill.

MEASUREMENT OF ENERGY AND DETERMINATION OF DEMAND

Energy supplied hereunder will be delivered through not more than one single-phase and/or one poly-phase meter. The billing demand will be taken monthly to be the highest registration of a thermal type demand meter. Where energy is delivered through two meters, the monthly billing demand will be taken as the sum of the two demands separately determined.

TERM OF CONTRACT

A written contract may, at the Company's option, be required to fulfill the provisions of the Terms and Conditions of Service.

SPECIAL TERMS AND CONDITIONS

This tariff is subject to the Company's Terms and Conditions of Service.

This tariff is available only at premises where at least 50 percent of the electrical load is located inside of buildings which are electrically heated.

When church buildings are electrically heated and are served through a separate meter and billed separately, the above energy rate applies, but there shall be no demand charge.

TARIFF C. S.
(Church Service)

AVAILABILITY OF SERVICE

Available for service to churches. This tariff is available for the supply of service to church buildings, that is, to buildings whose primary purpose is to provide a place of worship; but is not available to other buildings which might be owned or operated by churches, such as residences, dormitories, parochial or other church schools, which generally operate throughout the week.

MONTHLY RATE (Tariff Code 221)

Service Charge \$17.00/34.00 per customer

Energy Charge. 6.24/33.011 cents per KWH

MINIMUM CHARGE

This tariff is subject to a minimum monthly charge equal to the service charge.

FUEL AND PURCHASED POWER ADJUSTMENT RIDER

All bills for service according to the rates set forth herein will include charges under the Fuel and Purchased Power Adjustment Rider.

FUEL CLAUSE

When the unit cost of fuel in the charges for power purchased from Appalachian Power Company under Federal Energy Regulatory Commission rate schedule No. 22 is above or below a base unit price of 15.8562 mills per KWH, adjusted for losses, the bill for service shall be increased or decreased respectively at a rate per KWH equal to the amount that such cost of fuel is above or below the unit base cost of 15.8562 mills per KWH, adjusted for losses, applied to the KWH measured in the period for which the bill is rendered. The adjustment shall be based on the most recent calendar month for which fuel cost data is available.

PROMPT PAYMENT DISCOUNT

A discount of 1.5 percent will be allowed if account is paid in full within 15 days of date of bill.

TERM OF CONTRACT

A written contract may, at the Company's option, be required to fulfill the provisions of the Terms and Conditions of Service.

SPECIAL TERMS AND CONDITIONS

This tariff is subject to the Company's Terms and Conditions of Service.

TARIFF P. S.
(Public Schools)

AVAILABILITY OF SERVICE

Available to public schools wholly supported by public taxation purchasing their entire requirements for electric service from the Company.

MONTHLY RATE (Tariff Code 640)

Service Charge \$28.8557.50 per customer
Energy Charge 6.4681.932 cents per KWH

ELECTRIC HEATING

Where an entire school building, or an addition thereto, is heated 100 percent electrically, KWH in excess of 500 KWH per month multiplied by the number of classrooms in the entire school will be billed at the rate of 4.6440.505 cents per KWH subject to a Minimum Charge equal to the monthly service charge. (Tariff Code 641)

Where every energy requirement, including, but not limited to heating, cooling, and water heating, of an individual school building or an addition to an existing school building is supplied by electricity furnished by the Company, all energy for that building or addition shall be billed at 4.6440.505 cents per KWH subject to a Minimum Charge equal to the monthly service charge. (Tariff Code 642)

The term "classroom", for the purpose of determining billing under this provision, shall be defined as any room used regularly for the instruction of pupils, including but not limited to general classrooms, industrial shops, domestic science rooms, music rooms, kindergartens and laboratories. Customer shall furnish Company upon request information necessary to establish the number of classrooms to be used for billing purposes hereunder.

MINIMUM CHARGE

This tariff is subject to a minimum monthly charge equal to the service charge.

FUEL AND PURCHASED POWER ADJUSTMENT RIDER

All bills for service according to the rates set forth herein will include charges under the Fuel and Purchased Power Adjustment Rider.

FUEL CLAUSE

When the unit cost of fuel in the charges for power purchased from Appalachian Power Company under Federal Energy Regulatory Commission rate schedule No. 23 is above or below a base unit price of 15.8563 mills per KWH, adjusted for losses, the bill for service shall be increased or decreased respectively at a rate per KWH equal to the amount that such cost of fuel is above or below the unit base cost of 15.8563 mills per KWH, adjusted for losses, applied to the KWH measured in the period for which the bill is rendered. The adjustment shall be based on the most recent calendar month for which fuel cost data is available.

PROMPT PAYMENT DISCOUNT

A discount of 1.5 percent will be allowed if account is paid in full within 15 days of date of bill.

MEASUREMENT OF ENERGY

Energy supplied hereunder will be delivered through not more than 1 single-phase and/or 1 poly-phase meter.

METERED VOLTAGE ADJUSTMENT

The rates set forth in this tariff are based upon the delivery and measurement of energy at the same voltage, thus measurement will be made at or compensated to the delivery voltage. At the sole discretion of the Company, such compensation may be achieved through the use of loss compensating equipment, the use of formulas to calculate losses or the application of multipliers to the metered quantities. In such cases, the metered KWH values will be adjusted for billing purposes. If the Company elects to adjust KWH based on multipliers, the adjustment shall be in accordance with the following:

1. Measurements taken at the low-side of a customer-owned transformer will be multiplied by 1.01.
2. Measurements taken at the high-side of a Company-owned transformer will be multiplied by 0.98.

TERM OF CONTRACT

A written contract, may, at the Company's option, be required to fulfill the provisions of the Terms and Conditions of Service.

SPECIAL TERMS AND CONDITIONS

This tariff is subject to the Company's Terms and Conditions of Service.

Issued: October 30, 1992

By: Michael J. Holzapfel, Charles Patton, President
Kingsport, Tennessee

Effective: November 3, 1992

Pursuant to an Order in

Docket Number 92-04425

KINGSPORT POWER COMPANY
d/b/a AEP Appalachian Power
Kingsport, Tennessee

Original Sheet Number 15-1
T.R.A. Tariff Number 2

TARIFF E.O.P.

Emergency Operating Plan

Maintained on file with the T.R.A. is the current Emergency Operating Plan (E.O.P.) which is updated periodically as circumstances dictate.

Issued: March 7, 1997
By: Charles Patton, President

Effective: March 14, 1997
Pursuant to an Order in
Docket Number

**TARIFF O. L.
(Outdoor Lighting)**

AVAILABILITY OF SERVICE

Available for outdoor lighting to individual customers except that no light shall be installed on streets covered by municipal street lighting systems or at a location which might interfere with such system.

MONTHLY RATE

OVERHEAD LIGHTING SERVICE

- A. For each lamp with luminaire and an upsweep arm not over 6 feet in length, controlled by a photo-electric relay, where service is supplied from an existing pole and secondary facilities of the Company:

Tariff Code	Size of Lamp in Lumens	Nominal Lamp Wattage	Lamp Type	Rate Per Lamp Per Month
094	9,500	100	High Pressure Sodium	\$ 7.40 7.26
097	22,000	200	High Pressure Sodium	\$10.70 10.34
115	9,500	100	High Pressure Sodium Floodlight	\$ 9.05 9.47
107	22,000	200	High Pressure Sodium Floodlight	\$11.30 11.02
109	50,000	400	High Pressure Sodium Floodlight	\$13.70 14.27
120	50,000	400	High Pressure Sodium Shoebox Fixture	\$18.65 17.61
110	17,000	250	Metal Halide Floodlight	\$12.40 12.73
116	28,800	400	Metal Halide Floodlight	\$15.00 14.66

When service cannot be supplied from an existing pole of the Company carrying a secondary circuit, the Company will install one pole and one span of secondary circuit of not over 150 feet for an additional charge of \$7.95 per month or one span of secondary circuit only of not over 150 feet for an additional charge of \$1.40 per month.

When facilities other than those specified above are to be installed by the Company, the customer will, in addition to the above monthly charge or charges, pay in advance the installation cost for the new overhead facilities extending from the nearest or most suitable pole of the Company to the point designated by the customer for the installation of said lamp.

High pressure sodium and metal halide lamps will be available for new installations only.

- B. After January 1, 1983 Mercury Vapor outdoor lighting service will be available only to customers then being served at the rates set out herein and at the present service location.

**TARIFF O. L.
(Outdoor Lighting)**

Tariff Code	Size of Lamp in Lumens	Nominal Lamp Wattage	Lamp Type	Rate Per Lamp Per Month
093	7,000	<u>175</u>	Mercury Vapor	\$ 9.35 <u>\$9.06</u>
095	20,000	<u>400</u>	Mercury Vapor	\$16.40 <u>\$14.89</u>

POST-TOP LIGHTING SERVICE

- A. The Company will provide lamp, photo-electric relay control, post-top luminaire, post, and installation, including underground wiring, for a distance of 30 feet from the Company's existing secondary circuits.

Tariff Code	Size of Lamp in Lumens	Nominal Lamp Wattage	Lamp Type	Post Size (Feet)	Rate Per Lamp Per Month
111	9,500	<u>100</u>	High Pressure Sodium	12	\$41.60 <u>\$12.36</u>
121	16,000		High Pressure Sodium	10	\$41.60
122	16,000	<u>150</u>	High Pressure Sodium	24	\$34.45 <u>\$37.85</u>
103	27,500	<u>250</u>	High Pressure Sodium	30	\$36.95 <u>\$39.73</u>
123	22,000	<u>200</u>	High Pressure Sodium Floodlight	24	\$ 42.90 <u>\$35.54</u>
104	50,000		High Pressure Sodium	33	\$42.45
124	50,000	<u>400</u>	High Pressure Sodium Floodlight	33	\$40.05 <u>\$41.90</u>
125	36,000		Metal Halide	33	\$42.55
126	36,000	<u>400</u>	Metal Halide Floodlight	33	\$40.40 <u>\$42.13</u>

After January 1, 1983 Post-Top mercury vapor lighting service will be available only to customers then being served at the rates set out herein and at the present service location.

~~409~~ ~~7,000~~ ~~Mercury Vapor~~ ~~12~~ ~~\$43.85~~

- B. When a customer requires an underground circuit longer than 30 feet for post-top lighting service the customer may:

- (1) Pay to the Company in advance a charge of ~~\$2.55~~ \$5.62 per foot for the length of underground circuit in excess of 30 feet; or
- (2) Pay a monthly facilities charge of \$1.00 for each 25 feet (or fraction thereof) of underground circuit in excess of 30 feet.

Fixtures and poles will be standard utility grade secured from the Company's normal suppliers. The Company will be the sole judge of the suitability of the types of fixtures and poles used.

FUEL AND PURCHASED POWER ADJUSTMENT RIDER

All bills for service according to the rates set forth herein will include charges under the Fuel and Purchased Power Adjustment Rider.

PROMPT PAYMENT DISCOUNT

A discount of 1.5 percent will be allowed if account is paid in full within 15 days of date of bill.

Issued:
By: R. D. Carson, Vice Charles Patton, President

Effective: February 1, 1998
Pursuant to an Order in
Docket Number 97-07649

KINGSPORT POWER COMPANY
d/b/a AMERICAN ELECTRIC POWER AEP Appalachian Power
Kingsport, Tennessee

Original Sheet Number 16-3
T.R.A. Tariff Number 42

TARIFF O. L.
(Outdoor Lighting)

TERM OF CONTRACT

Contracts under this tariff will be for not less than 1 year for residential or farm customers, not less than 3 years for commercial or industrial customers, or not less than 5 years for other customers. The Company reserves the right to include in the contract such other provisions as it may deem necessary to insure payment of bills throughout the term of the contract.

HOURS OF LIGHTING

All lamps shall burn from one-half hour after sunset until one-half hour before sunrise, every night and all night, or approximately 4,000 hours per annum.

OWNERSHIP OF FACILITIES

All facilities necessary for service including fixtures, controls, poles, transformers, secondaries, lamps and other appurtenances shall be owned and maintained by the Company. All service and necessary maintenance will be performed only during the regular scheduled working hours of the Company. Burned out lamps will normally be replaced within 48 hours after notification by the customer.

SPECIAL TERMS AND CONDITIONS

This tariff is subject to the Company's Terms and Conditions of Service.

In cases where the Company is requested to replace an existing mercury vapor lamp with a high pressure sodium or metal halide lamp, the right is reserved to charge the customer an amount commensurate with the cost involved.

Issued:
By: R. D. Carson, Vice Charles Patton, President

Effective: February 1, 1995
Pursuant to an Order in
Docket Number 95-07-0043

**TARIFF N.M.S.
(Net Metering Service Rider)**

AVAILABILITY OF SERVICE

Available for new or existing Customers who operate an eligible renewable fuel generator designed to operate in parallel with the Company's system and who request Net Metering Service (NMS) from the Company. NMS Customers must take service under Tariff R.S., Tariff S.G.S., Tariff M.G.S.-Secondary, or Tariff P.S. NMS is limited to those customers who do not utilize time-of-day energy charge provisions. ~~Tariff N.M.S. is closed to new customers effective January 1, 2017.~~

The total capacity of all NMS Customers shall be limited to 1% of the Company's Tennessee peak load forecast ("Renewable Generator Limit"), and shall be available to customers with eligible renewable fuel generators on a first come, first serve basis. Customer's may not take service under this tariff and simultaneously take service under any alternative co-generation agreement.

DEFINITIONS

The following terms shall solely be used to define the applicability of Schedule N.M.S.

"Billing Period Credit" means the quantity of electricity generated and fed back into the electric grid by the customer's renewable fuel generator in excess of the electricity supplied to the customer over the billing period.

"Excess Generation" means the amount of electricity generated by the renewable fuel generator in excess of the electricity consumed by the customer over the course of the net metering period.

"Net Metering Customer (Customer)" means a customer owning and operating, or contracting with other persons to own or operate, or both, a renewable fuel generator under a net metering service arrangement.

"Net Metering Service" means providing retail electric service to a customer operating a renewable fuel generator and measuring the difference, over the net metering period between electricity supplied to the customer from the electric grid and the electricity generated and fed back to the electric grid.

"Person" means any individual, corporation, partnership, association, company, business, trust, joint venture, or other private legal entity and the State or any municipality.

"RF Generator" is an electrical generating facility which complies with all of the following requirements:

- (a) has an alternating current capacity less than or equal to 10 KW for customers taking service under Schedule R.S.;
- (b) uses solar, wind or hydro energy as its total fuel source;
- (c) the Net Metering Customer's facility is located on the customer's premises and is connected to the customer's wiring on the customer's side of it's interconnection with the distributor;
- (d) is designed and installed to operate in parallel with the Company's system without adversely affecting the operation of equipment and service of the Company and its customers and without presenting safety hazards to the Company and Customer personnel; and
- (e) is intended primarily to offset all or part of the customer's own electricity requirements.

TARIFF N.M.S.
(Net Metering Service Rider)

CONDITIONS OF SERVICE

A. Notification

1. For a renewable fuel generator with an alternating current capacity of 25 KW or less, the customer shall submit the required Company Interconnection Notification Form to the Company at least thirty (30) days prior to the date the customer intends to interconnect the renewable fuel generator to the Company's facilities. For a renewable fuel generator with an alternating current capacity greater than 25 KW, the customer shall submit the required Interconnection Notification Form to the Company at least sixty (60) days prior to the date the customer intends to interconnect the renewable fuel generator to the Company's facilities. The submission may either be directly to the Company or by registered mail with return receipt. All sections, including appropriate signatures, of the Interconnection Notification Form must be completed for the notification to be valid. The customer shall have all equipment necessary to complete the interconnection prior to such notification. For renewable fuel generators with capacities greater than 25 KW, the customer should contact the Company prior to making financial commitments. If mailed, the date of notification shall be the third day following the mailing of the Interconnection Form. The Company shall provide a copy of the Interconnection Notification Form to the customer upon request.
2. The Company shall, within thirty (30) days of the date of notification for RF Generators with a rated capacity of 25 KW or less, and within sixty (60) days of the date of notification for RF Generators with a rated capacity greater than 25 KW, either return to the customer a copy of the valid Interconnection Notification Form or return any incomplete form. If the Company determines that the Interconnection Notification Form is incomplete or that any of the other requirements for interconnection are not satisfied, the customer shall submit another completed Interconnection Notification Form and notify the Company once the customer has completed all work necessary to satisfy the deficiencies prior to interconnection. This notification requirement shall not replace or supersede any other applicable waiting period, or required interconnection authorization when other applicable law, rule, regulation or code would permit authorization to be withheld or delayed.
3. The Net Metering Customer shall immediately notify the electric distribution company of any changes in the ownership of, operational responsibility for, or contact information for the generator. The Net Metering Customer shall not assign this tariff or any part hereof without the prior written consent of the Company, and such authorized assignment may result in the termination of availability of tariff to Customer.

B. Conditions of Interconnection

1. RF Generator equipment shall be installed in accordance with the manufacturer's specifications as well as all applicable provisions of the National Electrical Code. Renewable fuel generator equipment and installations shall comply with all applicable safety and performance standards of the National Electrical Code, the Institute of Electrical and Electronic Engineers and accredited testing laboratories in accordance with IEEE Standard 1547, Standard for Interconnecting Distributed Resources with Electric Power Systems, July 2003, and safety and performance standards established by local and national electrical codes including, the Institute of Electrical and Electronics Engineers, the National Electrical Safety Code, and Underwriters Laboratories. Customer's renewable fuel generator equipment and installations shall also comply with the Company's Interconnection Guidelines. The Company shall provide a copy of its Interconnection Guidelines to the customer upon request.
2. The Customer shall obtain any governmental authorizations and permits required for the construction and operation of the RF Generator facility and interconnection facilities.

TARIFF N.M.S.
(Net Metering Service Rider)

CONDITIONS OF SERVICE (Cont'd)

3. In the case of renewable fuel generators with an alternating current capacity greater than 25 KW, the following requirements shall be met before interconnection may occur:
- a. Electric Distribution Facilities and Customer Impact Limitations. A renewable fuel generator shall not be permitted to interconnect to the Company's distribution facilities if the interconnection would reasonably lead to damage of any of the Company's facilities or would reasonably lead to voltage regulation or power quality problems at other customer revenue meters due to the incremental effect of the Company's electric distribution system, unless the customer reimburses the Company for its cost to modify any facilities needed to accommodate the interconnection.
 - b. Secondary, Service and Service Entrance Limitations. The capacity of the RF Generator shall be less than the capacity of the Company-owned secondary, service, and service entrance cable connected to the point of interconnection, unless the customer reimburses the Company for its cost to modify any facilities needed to accommodate the interconnection.
 - c. Transformer Loading Limitations. The RF Generator shall not have the ability to overload the Company's transformer, or any transformer winding, beyond manufacturer or nameplate ratings, unless the customer reimburses the Company for its costs to modify any facilities needed to accommodate the interconnection.
 - d. Integration With Company Facilities Grounding. The grounding scheme of the renewable fuel generator shall comply with IEEE 1547, Standard for Interconnecting Distributed Resources With Electric Power Systems, July 2003, and shall be consistent with the grounding scheme used by the Company. If requested by a prospective net metering customer, the Company shall assist the customer in selecting a grounding scheme the coordinates with the Company's distribution system.
 - e. Balance Limitation. The RF Generator shall not create a voltage imbalance of more than 3.0% at any other customer's revenue meter if the Company's transformer, with the secondary connected to the point of interconnection, is a three-phase transformer, unless the customer reimburses the Company for its cost to modify any facilities needed to accommodate the interconnection.
4. The customer shall provide a copy of its insurance policy to the Company. If the customer's renewable fuel generator does not exceed 10 KW, then such coverage shall be an amount of at least \$100,000 ~~per claim for the liability of the insured against loss arising out of the use of a generation facility~~. If the customer's renewable fuel generator exceeds 10 KW, then such coverage shall be an amount of at least \$300,000 ~~per claim for the liability of the insured against loss arising out of the use of a generation facility~~. The customer must submit evidence of such insurance to the Company with the Interconnection Notification Form.
- The Company's receipt of evidence of liability insurance does not imply an endorsement of the terms and conditions of the coverage.
- Neither party assumes any responsibility of any kind with respect to the construction, maintenance, or operation of the system or other property owned or used by the other party. The Customer agrees that the Company shall not be liable for any claims, costs, losses, suits or judgments for damages to any Person or property in any way resulting from, growing out of, or arising in or in connection with the use of, or contact with, energy delivered after it is delivered to Customer and while it is flowing through the lines of Customer, or is being distributed by Customer, or is being used by retail load.
5. Following Notification by the Customer, the Company shall have the right to inspect and test the RF Generator equipment and installation prior to interconnection. The nature and extent of these tests shall be determined solely by the Company. The Company reserves the right to conduct additional tests and inspections and to install additional equipment or meters at any time following interconnection of the RF Generator. The Customer shall not commence parallel operation of the RF Generator until the facility has been approved by the Company. Notwithstanding the foregoing, the Company's approval to operate the facility in parallel with the Company's system should not be construed as an endorsement, confirmation, warranty, guarantee, or representation concerning the safety, operating characteristics, durability of reliability of the RF Generator.

**TARIFF N.M.S.
(Net Metering Service Rider)**

6. The RF Generator installation must have a visibly open, lockable, manual disconnect switch which is accessible by the Company at all hours and clearly labeled. A licensed certified technician must certify via the Interconnection Notification Form that the disconnection switch has been installed properly. The Company reserves the right to install any additional equipment, including controls and meters, at the facility.
7. The Customer shall periodically maintain and test the RF Generator in accordance with the manufacturer's specifications and all applicable safety and performance standards. The Customer shall notify the Company at least fourteen (14) days prior to making any material changes to the renewable fuel generator facility or installation, including, but not necessarily limited to, any modification to the equipment or protective equipment settings or disconnection of the RF Generator from the Company's system, excluding temporary disconnects for routine maintenance. Modifications or changes made to the RF Generator shall be evaluated by the Company prior to being made. The Customer shall provide detailed information describing the modifications of changes to the Company in writing prior to making the modification the RF Generator. The Company shall review the proposed changes to the RF Generator and provide the results of its evaluation to the Customer within sixty (60) days of receipt of the Customer's proposal. Any items that would prevent parallel operation due to violation of applicable safety standards and/or power generation limits shall be explained along with a description of the modifications necessary to remedy violations. Following a notification of disconnection of the renewable fuel generator, the customer must again complete the Notification process specified above prior to any subsequent reconnection.

In addition, the customer shall notify the Company immediately regarding either any damage to the RF Generator facility or safety-related emergency disconnections.

8. The Company may enter the Customer's premises to inspect the Customer's protective devices and read or test the meter. The Company may disconnect the interconnection facilities without notice if the Company reasonably believes a hazardous condition exists and such immediate action is necessary to protect persons, or the Company's facilities, or property of others from damage or interference caused by the Customer's facilities.
9. Interconnection authorization is not transferable or assignable to other persons or service locations.

C. Other

1. The Company shall not be obligated to accept energy from the Customer and may require Customer to interrupt or reduce delivery of energy, when necessary, in order to construct, install, repair, replace, remove, investigate, or inspect any of the Company's equipment or part of its system; or if it reasonably determines that curtailment, interruption, or reduction is necessary because of emergencies, forced outage, force majeure, or compliance with prudent electrical practices. Whenever possible, the Company shall give the Customer reasonable notice of the possibility that interruption or reduction of deliveries may be required. Notwithstanding any other provision of this tariff, if at any time the Company reasonably determines that either the Renewable fuel generator facility may endanger the Company's personnel or other persons or property, or the continued operation of the RF Generator may endanger the integrity of safety of the Company's system, the Company shall reserve the right to disconnect and lock out the RF Generator from the Company's system. The RF Generator shall remain disconnected until such time as the Company is reasonably satisfied that the conditions referenced in this section have been satisfied.

2. To the fullest extent permitted by law, neither customer nor company, nor their respective officers, directors, agents, and employees members parents or affiliates, successors or assigns, or their respective officers directors, agents, nor employees successors or assigns shall be liable to the other party or their respective members, parents, subsidiaries, affiliates, officers, directors, agents employees successors or assigns, for claims ,suits, actions or causes of action for incidental, indirect, special, punitive ,multiple, or consequential damages connected with or resulting from performance or non-performance of such agreement , or any actions undertaken in connection with or related to this agreement, including without limitation, any such damages which are based upon causes of action for breach of contract, tort (including negligence and misrepresentation), breach of warranty, strict liability, statute, operation of law under any indemnity provision or any other theory of recovery. The obligor's liability shall be limited to direct damages only, and such direct damages shall be the sole and exclusive measure of damages and all other judicial remedies or damages are waived. The provisions of this section shall apply regardless of fault and shall survive termination, cancellation, suspension, completion or expiration of this agreement. Notwithstanding anything in this section to the contrary, any provisions of this section will not apply to the extent it is finally determined by a court of competent jurisdiction, including appellate review if pursued, to violate the laws of the Constitution of the State of Tennessee.

KINGSPORT POWER COMPANY
d/b/a AEP Appalachian Power
Kingsport, Tennessee

Original Sheet Number 17-5
T.R.A. Tariff Number 42

**TARIFF N.M.S.
(Net Metering Service Rider)**

FACILITIES CHARGES

The customer is responsible for all equipment and installation costs of the renewable fuel generator facility.

The Company shall inspect the inverter settings of a static inverter-connected renewable fuel generator prior to interconnection. The customer shall pay \$50 to the Company for each generator that requires inspection.

The Company shall inspect the protective equipment settings of a non-static inverter-connected renewable fuel generator prior to interconnection. The customer shall pay \$50 to the Company for each generator that requires inspection.

The customer shall pay to the Company any additional charges, as determined by the Company, for equipment, labor, metering, testing or inspections requested by the customer.

METERING

Net metered energy shall be measured in accordance with standard metering practices by metering equipment capable of measuring (but not necessarily displaying) power flow in both directions.

In instances where a Net Metering Customer has requested, and where the electric distribution company would not have otherwise installed, metering equipment, the Company may charge the Net Metering Customer its actual cost of installing any additional equipment necessary to implement Net Metering Service.

MONTHLY CHARGES

All monthly charges shall be in accordance with the Schedule under which the customer takes service. Such charges shall be based on the customer's net energy for the billing period, to the extent that the net energy exceeds zero. To the extent that a customer's net energy is zero or negative during the billing period, the customer shall pay only the non-usage sensitive charges of the Schedule. The customer shall receive no compensation from the Company for Excess Generation during the billing period. The Excess Generation during the billing period shall be carried forward and credited against positive energy usage in subsequent billing periods.

The Net Metering Period shall be defined as each successive 12-month period beginning with the first meter reading date following the date of interconnection of the RF Generator with the Company's facilities. Any Excess Generation at the end of a Net Metering Period shall be carried forward to the next Net Metering Period only to the extent that the Excess Generation does not exceed the customer's billed consumption for the current net metering period adjusted to exclude accumulated billing credit carried forward and applied from the previous net metering Period.

Excess generation is not transferable, and the Customer, shall receive no compensation from the Company for any Excess generation upon termination of service from the Company.

Issued: June 4, 2011
By: Charles Patton, President

Effective: August 2, 2011
Pursuant to an Order in
Docket Number 11-00444

TARIFF RTODR
(Regional Transmission Organization Demand Response Rider)

AVAILABILITY OF SERVICE

Non-residential customers may participate in any regional transmission organization (RTO) demand response programs directly or through a third party Curtailment Service Provider (CSP), including all emergency, economic and ancillary programs, except as specifically provided herein. PJM Interconnection, LLC (PJM) is the Company's RTO. Consistent with current RTO rules, customers may qualify to act as their own CSP.

This Tariff shall apply to customers and CSPs that qualify for the RTO emergency (capacity) demand response program, and any successors to that program. This Tariff shall only apply during RTO delivery years for which the Fixed Resource Requirement (FRR) Alternative of the RTO Reliability Pricing Model (RPM) is applicable to the Company. RTO delivery years begin on June 1 and end on May 31. The Company shall notify all registered CSPs within 5 business days of any change in the Company's status as part of the FRR Alternative.

This Tariff is available for at least 35 MWs of emergency demand response from customers in the Company's Tennessee service territory that qualify for the RTO emergency demand response program, on a first-nominated by March 1 of each year, first-served basis. The Company reserves the right, but is not required, to purchase MWs of emergency demand response in excess of 35 MW. There is no limitation on the amount of demand response that can participate in economic, ancillary or other RTO demand response programs.

CONDITIONS OF SERVICE

- (1) The Terms and Conditions of RTO demand response programs are subject to change, from time to time, as approved by the Federal Energy Regulatory Commission.
- (2) The customer is ultimately responsible for compliance with the terms and conditions of the RTO demand response program and the terms of any contract(s) between the customer and a CSP.
- (3) All notifications to customer regarding the demand response program will be directly from the RTO or CSP.
- (4) All charges, credits and payments to customer under the demand response program will be directly from the CSP.
- (5) The customer or CSP shall provide advance notice to the Company of any test scheduled for purposes of compliance with the RTO demand response program of which it has received advance notice.
- (6) The customer must provide written authorization to the Company before any customer specific information will be released to a CSP.
- (7) Upon request of the customer or CSP, the Company will provide interval and/or pulse metering. The Company will work with customers and CSPs to install interval and/or pulse metering in a timely fashion. The incremental cost of any such metering shall be borne by the customer or CSP, and will be based upon the Company's costs of such metering.
- (8) CSP's must comply with all requirements of the RTO and have on file with the Tennessee Regulatory Authority a current CSP registration form.
- (9) **NO RESPONSIBILITY OR LIABILITY OF ANY KIND SHALL ATTACH TO OR BE INCURRED BY THE COMPANY OR THE AEP SYSTEM FOR, OR ON ACCOUNT OF, ANY LOSS, COST, EXPENSE, OR DAMAGE CAUSED BY OR RESULTING FROM, EITHER DIRECTLY OR INDIRECTLY, ANY DEMAND RESPONSE UNDER THE PROVISIONS OF THIS TARIFF.**

TARIFF RTODR
(Regional Transmission Organization Demand Response Rider)

CSP CONTRACT FOR EMERGENCY DEMAND RESPONSE CAPACITY (Contract)

CSPs and customers acting as their own CSP that participate in an RTO emergency demand response program shall enter into a Contract with the Company. A CSP will have a single Contract with the Company for the aggregate emergency demand response capacity associated with customers of the Company. Such Contract will provide for the transfer/assignment of the nominated amount of RTO emergency demand response capacity to the Company so that the Company may use such capacity to meet its RTO FRR obligations. For purposes of this Tariff, an RTO emergency demand response program shall be any RTO demand response program that meets the RTO's requirements to be considered a capacity resource under the RTO Reliability Pricing Model.

By January 15 of each year, such CSPs and customers acting as their own CSP shall provide a non binding forecast of the amount of emergency demand response capacity expected to be provided for each of the following four (4) RTO delivery years. Such forecast shall be prepared on a good faith basis to be as accurate as reasonably possible to allow the Company to rely upon the projected resources to meet its FRR commitment and incorporate such capacity in its FRR capacity plan.

By March 1 of each year, such CSPs and customers acting as their own CSP shall nominate to the Company the amount of emergency demand response capacity to be provided for the upcoming June 1 through May 31 RTO delivery year.

COMPANY PAYMENT FOR EMERGENCY DEMAND RESPONSE CAPACITY

The Company will pay the CSPs and customers acting as their own CSP that participate in an RTO emergency demand response program for the amount of RTO emergency demand response capacity nominated to the Company as of March 1 for each upcoming delivery year. CSPs and customers acting as their own CSP shall, prior to the applicable RTO deadline, transfer/assign capacity to the Company's FRR obligation according to the RTO's requirements in an amount not less than the amount nominated as of March 1. Payments will be made monthly and shall be calculated as the product of the MWs of capacity transferred/assigned, the Company's Weighted Daily Revenue Rate, and the number of days in the month.

The Weighted Daily Revenue Rate shall be the average rate in \$/MW-day for all cleared MW, weighted by the megawatts cleared at each clearing price. Cleared MW shall include all cleared sell offers in the applicable Locational Delivery Area from each RPM auction (Base Residual Auction, First Incremental Auction, Second Incremental Auction and Third Incremental Auction) for the relevant PJM delivery year.

Any non-compliance charges, deficiency charges (should the amount of capacity registered with the RTO by the CSP or customers acting as their own CSP, be less than the amount nominated as of March 1), test failure charges or other charges assessed to the Company by the RTO related to the capacity transferred/assigned by a CSP to the Company shall be the responsibility of that particular CSP or customer acting as its own CSP. For billing and payment purposes, the Company may net any such charges against payments due to such CSP or customer under this Tariff.

KINGSPORT POWER COMPANY
d/b/a AEP Appalachian Power
Kingsport, Tennessee

Original Sheet Number: 18-3
T.R.A. Tariff Number 42

TARIFF RTODR
(Regional Transmission Organization Demand Response Rider)

SPECIAL TERMS AND CONDITIONS

Participation in the RTO Emergency Demand Response Program in order to satisfy any commitments by customers or CSPs on behalf of customers in existence as of November 21, 2012 that provided for the sale of emergency demand response capacity in the RTO RPM auction for delivery years ending no later than May 31, 2016 shall be allowed, in lieu of use of the emergency demand response capacity to meet the Company's FRR obligations.

Customer specific information shall remain confidential unless specified in writing by the customer. Customers and CSPs agree to work with the Company to provide any information related to service under this Tariff necessary to satisfy any RTO or regulatory requirements.

Issued: December 4th, 2012
By: Charles Patton, President

Effective: January 1, 2013
Pursuant to an Order in Docket
Number 42-00012 & 42-00026

KINGSPORT POWER COMPANY
d/b/a AEP Appalachian Power
Kingsport, Tennessee

Original Sheet No. 19-1
T.R.A. Tariff Number 1

TARIFF-PSDR
(Peak Shaving Demand-Response Rider)
(RIDER TERMINATED)

AVAILABILITY OF SERVICE

— This demand response program is available on a voluntary basis to non-residential customers who are taking firm service from the Company. Program participants must have the ability to curtail load under the provisions under this Tariff. Each customer electing to participate in the program shall contract for a definite amount of PSDR capacity, not to exceed the customer's normal demand capable of being curtailed.

The Company reserves the right to limit the aggregate amount of PSDR capacity contracted for under this Tariff and the Peak Shaving and Emergency Demand Response Rider (PSEDR) to 60 MW. Program enrollment requests will be taken in the order received. Customers electing to participate in this program are not eligible to participate in the demand response program offered under Tariff PSEDR.

Customers participating in this Rider may elect to use the services of CSPs provided that such arrangements do not violate the terms and conditions of this Rider. The customer may designate a PJM-qualified CSP to facilitate all or some of the customer notifications and transactions under this Rider. The customer must provide written notice to the Company of any such designation. Such written notice shall specify the authority that the customer has granted to the CSP, including any authority to access customer data. The customer is ultimately responsible for compliance with the terms and conditions of this Rider, including any charges under this Rider, in which the customer has voluntarily elected to participate.

CONDITIONS OF SERVICE

- (1) The Company reserves the right to cancel or make changes to the terms, including the compensation calculation methods, of this Tariff, as appropriate.
- (2) The Company reserves the right to call for (request) customers to curtail their PSDR loads when, in the Company's sole judgment, a curtailment is necessary to reduce the Company's load. Curtailment requests can be made at any time of day and on any day of the week.
- (3) The Company will endeavor to provide as much advance notice as possible of curtailments under this Tariff, including an estimate of the duration of such curtailments. However, the customer's PSDR capacity shall be curtailed within ninety (90) minutes if so requested.
- (4) In no event shall the customer be subject to load curtailment under the provisions of this Tariff for more than ten (10) interruptions during any December-through-March period. Each interruption shall last no more than six (6) hours. The customer must agree to be subject to curtailments of up to six (6) consecutive hours' duration for each curtailment event.
- (5) The Company will inform the customer regarding the communication process for notices to curtail. The customer is ultimately responsible for receiving and acting upon a curtailment notification from the Company. The customer is not responsible in the event the Company fails to properly issue a curtailment notification.
- (6) During each December-through-March period the Company may conduct a test and verify the customer's ability to curtail. However, if a curtailment event is called prior to the test, then the event shall be considered the test for that period.
- (7) If the customer fails to comply with the provisions of curtailment under this Schedule, the Company and the customer will discuss methods to comply during future events. If the problem cannot be resolved to the Company's satisfaction, the Company reserves the right to terminate the customer's participation in the program.
- (8) The minimum PSDR capacity contracted for under this Tariff will be 250 kW. Entities with multiple electric service accounts may aggregate those individual accounts to meet the 250 kW minimum capacity requirement; however, the PSDR capacity committed for each individual account shall not be less than 50 kW.
- (9) An interval meter is required. If the customer does not have one, the Company will install one at no cost to the customer.
- (10) **NO RESPONSIBILITY OR LIABILITY OF ANY KIND SHALL ATTACH TO OR BE INCURRED BY THE COMPANY OR THE AEP SYSTEM FOR OR ON ACCOUNT OF ANY LOSS, COST, EXPENSE, OR DAMAGE CAUSED BY OR RESULTING FROM, EITHER DIRECTLY OR INDIRECTLY, ANY CURTAILMENT OF SERVICE UNDER THE PROVISIONS OF THIS SCHEDULE.**

TARIFF PSDR
(Peak Shaving Demand-Response Rider)
(RIDER TERMINATED)

CUSTOMER BASELINE LOAD CALCULATION

A Customer Baseline Load (CBL) will be calculated for each hour corresponding to each curtailment event hour. Normally, the CBL will be calculated for each hour as the average corresponding hourly demands from the highest four (4) out of the five (5) most recent similar non-event days in the period preceding the relevant curtailment event. The highest load days are defined as the similar days (Weekday, Saturday, Sunday/Holiday as defined by PJM) with the highest energy consumption spanning the curtailment event hours. In cases where the normal calculation does not provide a reasonable representation of normal load conditions, the Company and the customer may develop an alternative CBL calculation that more accurately reflects the customer's normal consumption pattern.

CURTAILED DEMAND

The customer's Curtailed Demand shall be determined based upon the method of measurement chosen by the customer. The customer may choose one of two methods to measure the curtailed demand: (1) Guaranteed Load Drop (GLD) or (2) Firm Service Level (FSL). The method chosen shall remain in effect for the entire contract period.

(1) — GUARANTEED LOAD DROP METHOD

- (a) — Each customer must designate a Guaranteed Load Drop (GLD), which amount shall be the minimum demand reduction that the customer will provide for each hour during a curtailment event or during a curtailment test.
- (b) — If the customer fails to fully comply with a request for curtailment under the provisions of this Tariff or does not reduce load to below the CBL by the full GLD, a non-compliance charge shall apply. For this purpose, Actual Load Drop (ALD) is defined as the difference between the customer's CBL and their actual hourly load. If in any hour of a curtailment event the ALD is less than the GLD, the Non-Compliance Demand shall be equal to the difference between the GLD and the ALD. Otherwise, the Non-Compliance Demand shall be zero (0).

(2) — FIRM SERVICE LEVEL (FSL) METHOD

- (a) — Firm Service Level Peak Load Contribution (PLC) — The customer's PLC will be calculated each year as the average of its load during the Company's five (5) highest daily peak loads during the previous December through March period, adjusted to add back any load curtailments requested by the Company during those five (5) hours. The customer's PLC shall be adjusted for any material change in the customer's operations, including a change in the hours of operation that have occurred since the previous December through March period, and have increased or decreased the customer's load available for curtailment.
- (b) — Available Curtailable Demand (ACD) — The customer must designate an ACD, defined as the difference between the PLC and the Firm Service Level (FSL). The FSL is the demand to which the customer agrees to reduce load to or below for each hour during a curtailment event.
- (c) — If the customer fails to fully comply with a request for curtailment under the provisions of this Schedule, then the Non-Compliance Charge shall apply. If a customer is operating at or below their designated FSL during an event, it will be understood that they have no PSDR capacity available with which to comply and will not be charged a non-compliance penalty. If in any hour of a curtailment event the metered demand is above the FSL, the Non-Compliance Demand shall be equal to the difference between the customer's metered demand and the FSL. Otherwise the Non-Compliance Demand shall be zero (0).

KINGSPORT POWER COMPANY
d/b/a AEP Appalachian Power
Kingsport, Tennessee

Original Sheet No. 19-3
T.R.A. Tariff Number 4

TARIFF PNR
(Peak Shaving Demand-Response Rider)
(RIDER TERMINATED)

CURTAILED ENERGY

The Curtailed Energy shall be determined for each curtailment event hour, defined as the difference between the customer's CBL for that hour and the customer's metered load for that hour.

CURTAILMENT CREDITS

The **Curtailment Energy Credit** shall be 40% of the AEP East Load Zone hourly Real-Time Locational Marginal Price (LMP) established by PJM (including congestion and marginal losses) for each curtailment event hour.

The **Curtailment Demand Credit** shall be calculated in \$/kW-year as the greater of (a) the four-year average PJM Reliability Pricing Model (RPM) Limited DR Base-Residual Auction Clearing price for the applicable locational delivery area, calculated using the preceding delivery year, the current delivery year and the subsequent two (2) delivery years and (b) 35% of the applicable RPM Net Cost of New Entry (Net CONE) for the delivery year. Delivery years are from June 1 to May 31 as defined by PJM.

The Curtailment Demand Credit for the December 1, 2012 through March 31, 2013 contract period is as follows:

Delivery Year	RPM Clearing Price (\$/MW-day) (a)	2012/2013 Net CONE (\$/MW-day)	35% of Net CONE (\$/MW-day) (b)	Greater of (a) and (b) (\$/MW-day)	Annual Curtailment Demand Credit [*] (\$/kW-year)	Curtailment Demand Credit Paid Each of 4 Months ^{**}
June 1, 2011 to May 31, 2012	\$110.00					
June 1, 2012 to May 31, 2013	\$16.46					
June 1, 2013 to May 31, 2014	\$22.73					
June 1, 2014 to May 31, 2015	\$125.47					
Four-Year Average Price	\$69.92					
Amount		\$276.00	\$96.63	\$96.63	\$35.27	\$8.818

^{*} Curtailment Demand Credit in \$/kW-year calculated as \$/MW-day times 265 divided by 1,000.

^{**} Curtailment Demand Credit converted to be paid over 4 months = \$35.27 divided by 4

Issued: April 27, 2012
By: Charles Patton, President

Effective: May 15, 2014
Pursuant to an Order in Docket
Number 12-00012 & 14-00062

KINGSPORT POWER COMPANY
d/b/a AEP Appalachian Power
Kingsport, Tennessee

Original Sheet No. 19-4
T.R.A. Tariff Number 4

TARIFF P.S.D.R.
(Peak Shaving Demand-Response Rider)
(RIDER TERMINATED)

MONTHLY DEMAND CREDIT

The Monthly Demand Credit shall be paid regardless of whether or not there are any curtailment events during the month, based on the method selected by the customer as follows:

1. GUARANTEED LOAD DROP METHOD—The Monthly Demand Credit shall be equal to the product of the GLD and the Curtailment Demand Credit.
2. FIRM SERVICE LEVEL METHOD—The Monthly Demand Credit shall be equal to the product of the ACD and the Curtailment Demand Credit.

MONTHLY EVENT CREDIT

An Event Credit shall be calculated for each event hour equal to the product of the Curtailed Energy for that hour and the Curtailment Energy Credit for that hour. The Monthly Event Credit shall be the sum of the hourly Event Credits for all events occurring in the calendar month, but shall not exceed the portion of the customer's monthly bill that is computed on a per kWh basis under the applicable firm service tariff for the same billing month. The customer shall not receive Event Credit for any curtailment events to the extent that the customer's PSDR capacity is already reduced due to a planned or unplanned outage as a result of vacation, renovation, repair, refurbishment, force majeure, strike, economic conditions, or any situation other than the customer's normal operating conditions. Event Credits will not be withheld if the customer's PSDR capacity is already reduced as a result of customer actions taken in anticipation of a curtailment.

NON-COMPLIANCE CHARGE

Charges for non-compliance will be based on the customer's Non-Compliance Demand which reflects any failure by the customer to fully comply with requests for curtailment under the provisions of this Schedule. The Non-Compliance Charge will be computed at the completion of the March delivery month each year and will be invoiced to the customer in May. The Non-Compliance Charge shall be equal to the average Non-Compliance Demand during all curtailment event hours times 110% of the Curtailment Demand Credit times 4.

CUSTOMER CREDIT

The net amount of the Monthly Demand Credit and Monthly Event Credit will be provided within 60 days after the end of the delivery month. A customer may request the aggregation of individual customer account credits into a single credit. The Company reserves the right to apply amounts owed to the customer to any unpaid balance owed to the Company for electric service provided.

TERM

Contracts under this Tariff shall be made for a minimum initial period of one (1) year and shall remain in effect until either party provides ninety (90) days' written notice prior to December 1 of its intention to discontinue participation in the program. The customer will earn the Customer Credit beginning in the December delivery month for contracts signed from March to November. For contracts executed from December through February, Customer credits will be earned beginning in the following delivery month.

Issued: April 27, 2012
By: Charles Patton, President

Effective: May 15, 2014
Pursuant to an Order in Docket
Number 12-00012 & 14-00003

~~KINGSPORT POWER COMPANY~~
~~d/b/a AEP Appalachian Power~~
~~Kingsport, Tennessee~~

~~Original Sheet No. 19-5~~
~~T.R.A. Tariff Number 4~~

~~TARIFF-PSDR~~
~~(Peak-Shaving Demand-Response Rider)~~
~~(RIDER TERMINATED)~~

~~SPECIAL TERMS AND CONDITIONS~~

~~Customer specific information, including, but not limited to PSDR contract capacity, shall remain confidential unless specified in writing by the customer.~~

~~If a new peak demand is set by the customer in the hour following a curtailment event due to the customer resuming the level of activity prior to the curtailment, the customer may request in writing, that the customer's billing demand be adjusted to disregard that new peak. The Company will promptly evaluate all such requests and approve reasonable requests. In specific circumstances and subject to reasonable conditions, the Company may approve requests in advance.~~

~~Issued: April 27, 2012~~
~~By: Charles Futton, President~~

~~Effective: May 15, 2014~~
~~Pursuant to an Order in Docket~~
~~Number 12-00012 & 14-00002~~

KINGSPORT POWER COMPANY

Original Sheet Number 19

d/b/a AEP Appalachian Power

T.R.A. Tariff Number 2

Kingsport, Tennessee

RESERVED FOR FUTURE USE

Issued:

Effective:

By: Charles Patton, President

Pursuant to an Order in

Docket Number

STORM DAMAGE RIDER

1. Surcharge

Pursuant to the provisions of this Rider, a Storm Damage Rider surcharge will be applied to each kilowatt-hour, kilowatt or lamp as billed under the Company's filed tariffs.

The Storm Damage Rider surcharge applicable to each tariff is set below:

<u>Tariff</u>	<u>Energy Rate</u> <u>(\$)/ KWH</u>	<u>Demand Rate</u> <u>(\$)/ KW</u>	<u>Lamp Rate</u> <u>(\$)/ Lamp</u>	
RS	.00000--	--	--	R
SGS	.00000---	--	--	R
MGS	.00000--	--	--	R
EHG	.00000--	--	--	R
CS	.00000---	--	--	R
PS	.00000--	--	--	R
LGS	--	.00000--	--	R
IP-PRI	--	.00000--	--	R
IP-TRANS	--	--	--	
OL	--	--	.00000--	R

TARIFF S.B.S.
(Standby Service)

MONTHLY CHARGES FOR STANDBY SERVICE

Supplemental Service

The customer shall contract for a specific amount of supplemental contract capacity according to the provisions of the applicable firm service Standard Tariff (hereinafter referred to as supplemental tariff). Any demand or energy not identified as backup or maintenance service shall be considered supplemental service and billed according to the applicable Standard Schedule.

Backup Service

1. Determination of Backup Contract Capacity

The backup contract capacity in kilowatts (kW) shall be initially established by mutual agreement between the customer and the Company for electrical capacity sufficient to meet the maximum backup requirements which the Company is expected to supply.

The customer shall specify the desired backup contract capacity to the nearest 50 kW as well as the desired service reliability as specified under the Monthly Backup Charge. Changes in the backup contract capacity are subject to the provisions set forth in the Term of Contract.

2. Backup Service Notification Requirement

Whenever backup service is needed, the customer shall verbally notify the Company within one (1) hour. Such notification shall be confirmed in writing within five (5) working days and shall specify the time and date such use commenced and termination date. If such notification is not received, the customer shall be subject to an increase in contract capacity in accordance with the provisions of the Standard Schedule under which the customer receives supplemental service and such backup demand shall be considered supplemental demand and billed accordingly.

3. Backup Demand Determination

Whenever backup service is supplied to the customer for use during forced outages, the customer's integrated kW demand shall be adjusted by subtracting the amount of backup contract capacity supplied by the Company. In no event shall the adjusted demand be less than zero (0). The monthly billing demand under the supplemental service schedule shall be the maximum adjusted integrated demand. If both backup and maintenance service are utilized during the same billing period, the customer's integrated demands will be adjusted for both in the appropriate period. Whenever the customer's maximum integrated demand at any time during the billing period exceeds the total of the supplemental service contract capacity and the specific request for backup and/or maintenance service, the excess demand shall be considered as supplemental demand in the determination of the billing demands under the appropriate supplemental service schedule.

4. Backup Service Energy Determination

Whenever backup service is utilized, backup energy shall be billed under the appropriate supplemental tariff.

TARIFF S.B.S.
(Standby Service)

MONTHLY CHARGES FOR STANDBY SERVICE (Cont'd)

5. Monthly Back-up Charge

Each kilowatt of demand billed is subject to all applicable riders.

<u>Service Voltage</u>	<u>% Forced Outage Rate</u>	<u>Maximum Outage Hours</u>	<u>Demand Charge \$/KW</u>
<u>Service Reliability Level A</u>	<u>5</u>	<u>438</u>	
<u>Service Reliability Level B</u>	<u>10</u>	<u>876</u>	
<u>Service Reliability Level C</u>	<u>15</u>	<u>1,314</u>	
<u>Service Reliability Level D</u>	<u>20</u>	<u>1,752</u>	
<u>Service Reliability Level E</u>	<u>25</u>	<u>2,190</u>	
<u>Service Reliability Level F</u>	<u>30</u>	<u>2,628</u>	
<u>Secondary</u>			<u>3.70</u>
<u>Primary</u>			<u>2.46</u>
<u>Subtransmission/Transmission</u>			<u>0.00</u>

The total monthly backup charge is equal to the selected monthly backup demand charge times the backup contract capacity. Whenever the allowed outage hours for the respective reliability level selected by the customer are exceeded during the contract year, the customer's unadjusted integrated demands shall be used for billing purposes under the appropriate supplemental tariff for the remainder of the contract year.

Maintenance Service

1. Determination of Maintenance Contract Capacity

The customer may contract for maintenance service by giving at least six (6) months' advance written request as specified in the Term of Contract. Such notice shall specify the amount to the nearest fifty (50) kW not to exceed the customer's maximum maintenance service requirements during planned maintenance outages, and the effective date for the amount of contracted maintenance service.

2. Maintenance Service Notification Requirement

A major maintenance outage shall be considered as any maintenance service request greater than 5,000 kW and may be scheduled at a time consented to by the Company. Written notice shall be provided by the customer at least 180 days in advance of such scheduled outages or a lesser period by mutual agreement and shall specify the kW amount of maintenance service required, as well as the dates and times such use will commence and terminate. A major maintenance service request shall not exceed the kW capacity of the customer's power production facilities as listed in the customer's service contract.

A minor maintenance outage shall be considered as any maintenance service request of 5,000 kW or less and may be scheduled at a time consented to by the Company. Written notice shall be provided by the customer at least thirty (30) days in advance of such outage or a lesser period by mutual agreement.

If such notification is not received, the customer shall be subject to an increase in supplemental service contract capacity according to the provisions of the supplemental service schedule under which the customer is served and such maintenance service demand shall be considered as supplemental load in the determination of the billing demands.

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By: Charles Patton, President

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TARIFF S.B.S.
(Standby Service)

MONTHLY CHARGES FOR STANDBY SERVICE (Cont'd)

3. Major Maintenance Service Limitation

The customer shall be limited to one major maintenance outage of 30-days duration for each generator listed in the customer's service contract in each contract year. Additional major maintenance outages or outages exceeding 30-days duration may be requested by the customer and shall be subject to approval by the Company. At the time in which any such additional or prolonged maintenance occurs, the customer shall provide to the Company notarized verification that energy provided under this provision is for maintenance use only.

4. Maintenance Service Demand Determination

Whenever a specific request for maintenance service is made by the customer, the customer's integrated demands will be adjusted by subtracting the maintenance service requested in the hours specified by the customer. The monthly billing demands under the supplemental service schedule shall be the maximum adjusted integrated demands.

If both backup and maintenance service are utilized during the same billing period, the customer's integrated demands will be adjusted for both in the appropriate hours. In no event shall the adjusted demand be less than zero (0).

Whenever the maximum integrated demand at any time during the billing period exceeds the total of the supplemental contract capacity and the specific request for maintenance and/or back-up service, the excess demand shall be considered as supplemental load in the determination of the billing demands.

5. Maintenance Service Energy Determination

Whenever maintenance service is used, maintenance energy shall be calculated as the lesser of a) the kW of maintenance service requested multiplied by the number of hours of maintenance use or b) total metered energy. Metered energy for purposes of billing under the appropriate supplemental service schedule shall be derived by subtracting the maintenance energy from the total metered energy for the billing period.

6. Monthly Maintenance Service Charge

In addition to the monthly charges established under the supplemental service schedule, the customer shall pay the Company for maintenance energy as follows:

For each kWh of maintenance energy taken:

<u>Service Voltage</u>	<u>Energy Charge</u> <u>¢/kWh</u>
<u>Secondary</u>	<u>0.596</u>
<u>Primary</u>	<u>0.396</u>
<u>Subtransmission/Transmission</u>	<u>0.000</u>

Each kilowatt-hour of energy consumed is subject to all applicable riders.

TARIFF S.B.S.
(Standby Service)

MONTHLY CHARGES FOR STANDBY SERVICE (Cont'd)

Local Facilities Charge

Charges to cover interconnection costs (including but not limited to suitable meters, relays and protective apparatus) incurred by the Company shall be determined by the Company and shall be collected from the customer. Such charges shall include the total installed cost of all local facilities. In addition, the customer shall reimburse the Company for all state and federal income taxes associated with such charges. The customer shall make a one-time payment for the Local Facilities Charge at the time of the installation of the required additional facilities, or, at his option, up to thirty-six (36) consecutive equal monthly payments reflecting an annual interest charge as determined by the Company, but not to exceed the cost of the Company's most recent issue of long-term debt. If the customer elects the installment payment option, the Company may require a reasonable security deposit. This provision applies also to customers with Standby Contract capacities less than 100kW.

FUEL AND PURCHASED POWER ADJUSTMENT RIDER

All bills for service according to the rates set forth herein will include charges under the Fuel and Purchased Power Adjustment Rider.

PROMPT PAYMENT DISCOUNT

A discount of 1.5 percent will be allowed if account is paid in full within 15 days of date of bill.

SPECIAL PROVISION FOR CUSTOMERS WITH STANDBY CONTRACT CAPACITIES OF LESS THAN 100 kW

Customers requesting standby service (backup and/or maintenance) with contract capacities of less than 100 kW shall execute a special contract form for a minimum of one (1) year. Contract standby capacity in kilowatts shall be set equal to the capacity of the customer's largest power production facility.

TERM

Contracts under this Schedule will be made for an initial period of not less than one (1) year and shall continue thereafter until either party has given six (6) months' written notice to the other of the intention to terminate the contract. The Company will have the right to make contracts for initial periods longer than one (1) year.

A 6-months' advance written request is required for any change in supplemental, backup, or maintenance service requirements, except for the initial standby service contract. All changes in the standby service contract shall be effective on the contract anniversary date. The Company shall either concur in writing or inform the customer of any conditions or limitations associated with the customer's request within sixty (60) days.

SPECIAL TERMS AND CONDITIONS

At its discretion, the Company may require that Company-owned metering be installed to monitor the customer's generation.

The Company reserves the right to inspect the customer's relays and protective equipment at all reasonable times.

Customers taking service under this Standard Schedule who desire to transfer to firm full requirements will be required to give the Company written notice of at least thirty-six (36) months. The Company reserves the right to reduce the notice period requirement dependent upon individual circumstances.

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By: Charles Patton, President

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Pursuant to an Order in
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RIDER A.F.S.
(Alternate Feed Service)

AVAILABILITY OF SERVICE

Standard Alternate Feed Service (AFS) is a premium service providing a redundant distribution service provided through a redundant distribution line and distribution station transformer, with automatic or manual switch-over and recovery, which provides increased reliability for distribution service. Rider AFS applies to those customers requesting new or upgraded AFS after December 31, 2016 or existing AFS customers that desire to maintain redundant service when the Company must make expenditures after December 31, 2016 in order to continue providing such service.

Rider AFS is available to customers who request a primary voltage alternate feed and who normally take service under Tariffs M.G.S., L.G.S., and I.P. for their basic service requirements, provided that the Company has adequate capacity in existing distribution facilities, as determined by the Company, or if changes can be made to make capacity available. AFS provided under this rider may not be available at all times, including emergency situations.

SYSTEM IMPACT STUDY CHARGE

The Company shall charge the customer for the actual cost incurred by the Company to conduct a system impact study for each site reviewed. The study will consist of, but is not limited to, the following: (1) identification of customer load requirements, (2) identification of the potential facilities needed to provide the AFS, (3) determination of the impact of AFS loading on all electrical facilities under review, (4) evaluation of the impact of the AFS on system protection and coordination issues including the review of the transfer switch, (5) evaluation of the impact of the AFS request on system reliability indices and power quality, (6) development of cost estimates for any required system improvements or enhancements required by the AFS, and (7) documentation of the results of the study. The Company will provide to the customer an estimate of charges for this study.

EQUIPMENT AND INSTALLATION CHARGE

The customer shall pay, in advance of construction, a nonrefundable amount for all equipment and installation costs for all dedicated and/or local facilities provided by the Company required to furnish either a new or upgraded AFS. The payment shall be grossed-up for federal and state income taxes, assessment fees and utility receipts taxes. The customer will not acquire any title in said facilities by reason of such payment. The equipment and installation charge shall be determined by the Company and shall include, but not be limited to, the following: (1) all costs associated with the AFS dedicated and/or local facilities provided by the Company and (2) any costs or modifications to the customer's basic service facilities.

The customer is responsible for all costs associated with providing and maintaining phone service for use with metering to notify the Company of a transfer of service to the AFS or return to basic service.

RIDER A.F.S.
(Alternate Feed Service)

TRANSFER SWITCH PROVISIONS

In the event the customer receives basic service at primary voltage, the customer shall install, own, maintain, test, inspect, operate and replace the transfer switch. Customer-owned switches are required to be at primary voltage and must meet the Company's engineering, operational and maintenance specifications. The Company reserves the right to inspect the customer-owned switches periodically and to disconnect the AFS for adverse impacts on reliability or safety.

Existing AFS customers, who receive basic service at primary voltage and are served via a Company-owned transfer switch and control module, may elect for the Company to continue ownership of the transfer switch. When the Company-owned transfer switch and/or control module requires replacement, and the customer desires to continue the AFS, the customer shall pay the Company the total cost to replace such equipment which shall be grossed up for federal and state income taxes, assessment fees and utility receipts taxes. In addition, the customer shall pay a monthly rate of \$14.69 for the Company to annually test the transfer switch / control module and the customer shall reimburse the Company for the actual costs involved in maintaining the Company-owned transfer switch and control module.

In the event a customer receives basic service at secondary voltage and requests AFS, the Company will provide the AFS at primary voltage. The Company will install, own, maintain, test, inspect and operate the transfer switch and control module. The customer shall pay the Company a nonrefundable amount for all costs associated with the transfer switch installation. The payment shall be grossed-up for federal and state income taxes, assessment fees and utility receipts taxes. In addition, the customer is required to pay the monthly rate for testing and ongoing maintenance costs defined above. When the Company-owned transfer switch and/or control module requires replacement, and the customer desires to continue the AFS, customer shall pay the Company the total cost to replace such equipment which shall be grossed up for federal and state income taxes, assessment fees and utility receipts taxes.

After a transfer of service to the AFS, a customer utilizing a manual or semi-automatic transfer switch shall return to the basic service within one (1) week or as mutually agreed to by the Company and customer. In the event system constraints require a transfer to be expedited, the Company will endeavor to provide as much advance notice as possible to the customer. However, the customer shall accomplish the transfer back to the basic service within ten minutes if notified by the Company of system constraints. In the event the customer fails to return to basic service within 12 hours, or as mutually agreed to by the Company and customer, or within ten minutes of notification of system constraints, the Company reserves the right to immediately disconnect the customer's load from the AFS source. If the customer does not return to the basic service as agreed to, or as requested by the Company, the Company may also provide 30 days' notice to terminate the AFS agreement with the customer.

The customer shall make a request to the Company for approval three days in advance for any planned switching.

MONTHLY AFS CAPACITY RESERVATION DEMAND CHARGE:

Monthly AFS charges will be in addition to all monthly basic service charges paid by the customer under the applicable tariff.

The Monthly AFS Capacity Reservation Demand Charge for the reservation of distribution station and primary lines is \$2.46 per kW/kVA.

Issued:
By: Charles Patton, President

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Pursuant to an Order in
Docket Number

RIDER A.F.S.
(Alternate Feed Service)

AFS CAPACITY RESERVATION

The customer shall reserve a specific amount of AFS capacity equal to, or less than, the customer's normal maximum requirements, but in no event shall the customer's AFS capacity reservation under this rider exceed the capacity reservation for the customer's basic service under the appropriate tariff. The Company shall not be required to supply AFS capacity in excess of that reserved except by mutual agreement.

If the customer plans to increase the AFS demand at anytime in the future, the customer shall promptly notify the Company of such additional demand requirements. The customer's AFS capacity reservation and billing will be adjusted accordingly. The customer will pay the Company the actual costs of any and all additional dedicated and/or local facilities required to provide AFS in advance of construction and pursuant to an AFS construction agreement. If customer exceeds the agreed upon AFS capacity reservation, the Company reserves the right to disconnect the AFS. If the customer's AFS metered demand exceeds the agreed upon AFS capacity reservation, which jeopardizes company facilities or the electrical service to other customers, the Company reserves the right to disconnect the AFS immediately. If the Company agrees to allow the customer to continue AFS, the customer will be required to sign a new AFS agreement reflecting the new AFS capacity reservation. In addition, the customer will promptly notify the Company regarding any reduction in the AFS capacity reservation.

The customer may reserve partial-load AFS capacity, which shall be less than the customer's full requirements for basic service subject to the conditions in this provision. Prior to the customer receiving partial-load AFS capacity, the customer shall be required to demonstrate or provide evidence to the Company that they have installed demand-controlling equipment that is capable of curtailing load when a switch has been made from the basic service to the AFS. The Company reserves the right to test and verify the customer's ability to curtail load to meet the agreed upon partial-load AFS capacity reservation.

DETERMINATION OF BILLING DEMAND

Full-Load Requirement:

For customers requesting AFS equal to their load requirement for basic service, the AFS billing demand shall be taken each month as the single-highest 15-minute or 30-minute integrated peak as registered during the month by a demand meter or indicator, but the monthly AFS billing demand so established shall in no event be less than the greater of (a) the customer's AFS capacity reservation, or (b) the customer's highest previously established monthly billing demand on the AFS during the past 11 months, or (c) the customer's basic service capacity reservation, or (d) the customer's highest previously established monthly billing demand on the basic service during the past 11 months.

Partial-Load Requirement:

For customers requesting partial-load AFS capacity reservation that is less than the customer's full requirements for basic service, the AFS billing demand shall be taken each month as the single-highest 15-minute integrated peak on the AFS as registered during the month by a demand meter or indicator, but the monthly AFS billing demand so established shall in no event be less than the greater of (a) the customer's AFS capacity reservation, or (b) the customer's highest previously established monthly metered demand on the partial-load AFS during the past 11 months.

PROMPT PAYMENT DISCOUNT

A discount of 1.5 percent will be allowed if account is paid in full within 15 days of date of bill.

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RIDER A.F.S.
(Alternate Feed Service)

TERM OF CONTRACT

The AFS agreement under this rider will be made for a period of not less than one year and shall remain in effect thereafter until either party shall give at least six months' written notice to the other of the intention to discontinue service under the terms of this rider.

Disconnection of AFS under this rider due to reliability or safety concerns associated with customer-owned transfer switches will not relieve the customer of payments required hereunder for the duration of the agreement term.

SPECIAL TERMS AND CONDITIONS

This rider is subject to the Company's Terms and Conditions of Service.

Upon receipt of a request from the customer for non-standard AFS (AFS which includes unique service characteristics different from standard AFS), the Company will provide the customer with a written estimate of all costs, including system impact study costs, and any applicable unique terms and conditions of service related to the provision of the non-standard AFS. An AFS agreement will be filed with the Commission under the 30-day filing procedures. The AFS agreement shall provide full disclosure of all rates, terms and conditions of service under this rider, and any and all agreements related thereto.

The Company will have sole responsibility for determining the basic service circuit and the AFS circuit.

The Company assumes no liability should the AFS circuit, transfer switch, or other equipment required to provide AFS fail to operate as designed, is unsatisfactory, or is not available for any reason.

Issued:
By: Charles Patton, President

Effective:
Pursuant to an Order in
Docket Number

ATTACHMENT

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 PETITION OF KINGSPORT POWER)
 COMPANY D/B/A AEP)
 APPALACHIAN POWER FOR A)
 GENERAL RATE CASE)
)
)

Docket No. 16-00001

Docket No. 16-00001

August 3, 2016

Attachment C
Schedule 1

Tariff	Billing Determinants	Current Base Rates	Base Fuel Cost	Base Power Cost	Current Margin Rate	Current Margin	Rate Increase	Proposed Margin	Proposed Rates	Percent Increase
Residential:										
Regular Residential (Tariff Code 15):										
Service Charge (Bills)	494,066	\$7,3000000			\$7,3000000	\$3,606,692	\$2,633,372	\$6,240,054	\$12,6300000	73.01%
Energy Charge (KWH)	676,741,626	0.0487300	\$0.0158563	\$0.0296206	0.0032531	2,208,014	0	2,208,014	0.0032531	0.00%
Total Regular Residential (Tariff Code 15)						\$5,814,696	\$2,633,372	\$8,448,068		45.29%
Employee Residential (Tariff Code 18)										
Service Charge (Bills)	1,095	7,3000000			7,3000000	\$7,994	\$5,836	\$13,830	\$12,6300000	73.01%
Energy Charge (KWH)	1,650,843	0.0414200	0.0158563	0.0296206	-0.0040569	-8,696	6,696	0	0.0000000	-100.00%
Total Employee Residential (Tariff Code 18)						\$1,297	\$12,533	\$13,830		966.29%
Regular Load Management Residential (Tariff Code 11)										
Service Charge (Bills)	218	7,3000000			7,3000000	\$1,591	\$1,162	\$2,753	\$12,6300000	73.01%
Energy Charge (KWH)	275,925	0.0487300	0.0158563	0.0296206	0.0032531	898	0	898	0.0032531	0.00%
Energy Charge (Last 250 KWH per Month)	52,604	0.0275500	0.0158563	0.0116937	0.0000000	0	0	0	0.0000000	0.00%
Total Regular Load Management Residential (Tariff Code 11)						\$2,489	\$1,162	\$3,651		46.68%
Employee Load Management Residential (Tariff Code 51)										
Service Charge (Bills)	12	7,3000000			7,3000000	\$88	\$64	\$152	\$12,6300000	73.01%
Energy Charge (KWH)	14,413	0.0414200	0.0158563	0.0296206	-0.0040569	-58	58	0	0.0000000	-100.00%
Energy Charge (Last 250 KWH per Month)	3,000	0.0487300	0.0158563	0.0116937	0.0211800	64	-64	0	0.0000000	-100.00%
Total Employee Load Management Residential (Tariff Code 51)						\$93	\$59	\$152		63.55%
Regular Time of Day Residential (Tariff Codes 30 and 31)										
Service Charge (Bills)	47	13,5000000			13,5000000	\$635	\$620	\$1,255	\$26,7000000	97.78%
Energy Charge - On Peak (KWH)	60,461	0.0754100	0.0158563	0.0407887	0.0187650	1,135	0	1,135	0.0187650	0.00%
Energy Charge - Off Peak (KWH)	37,720	0.0275500	0.0158563	0.0116937	0.0000000	0	0	0	0.0000000	0.00%
Total Regular Time of Day Residential (Tariff Codes 30 and 31)						\$1,769	\$620	\$2,389		35.07%
Total Base Residential Margin						\$5,820,344	\$2,650,466	\$8,470,810		45.54%
TRA Inspection Fee Rider Surcharge						174,923	-174,923	0		-100.00%
Prompt Payment Discount						-677,238	-37,133	-914,371		4.23%
Net Base Residential Margin						\$5,118,028	\$2,438,410	\$7,556,438		47.64%
						Rounding	-\$2,720			

Attachment C
Schedule 2

Tariff	Billing Determinants	Current Base Rates	Base Fuel Cost	Base Power Cost	Current Margin Rate	Current Margin	Rate Increase	Proposed Margin	Proposed Rates	Percent Increase
Small General Service:										
SGS-Fixed (Tariff Code 231):										
Service Charge (Bills)	40,037	\$8,8000000			\$8,8000000	\$352,325	\$258,239	\$510,564	\$15.2500000	73.30%
Energy Charge - First 600 KWH per Month	11,629,899	0.0679200	\$0.0158563	\$0.0198101	0.0322536	375,108	0	375,106	0.0322536	0.00%
Energy Charge - Over 600 KWH per Month	8,743,442	0.0564300	0.0158563	0.0198101	0.0207636	181,545	0	181,545	0.0207636	0.00%
Total SGS-Fixed						<u>\$908,977</u>	<u>\$258,239</u>	<u>\$1,167,216</u>		<u>28.41%</u>
SGS-Measured (Tariff Code 232):										
Service Charge (Bills)	2,837	8.8000000			8.8000000	\$24,966	\$18,299	\$43,264	\$15.2500000	73.30%
Energy Charge - First 600 KWH per Month	1,020,336	0.0679200	0.0158563	0.0198101	0.0322536	32,910	0	32,910	0.0322536	0.00%
Energy Charge - Over 600 KWH per Month	1,152,389	0.0564300	0.0158563	0.0198101	0.0207636	23,928	0	23,928	0.0207636	0.00%
Total SGS-Measured						<u>\$81,802</u>	<u>\$18,299</u>	<u>\$100,102</u>		<u>22.37%</u>
SGS-Non Metered (Tariff Code 233):										
Service Charge (Bills)	615	8.8000000			8.8000000	\$5,412	\$3,967	\$9,379	\$15.2500000	73.30%
Energy Charge - First 600 KWH per Month	51,043	0.0679200	0.0158563	0.0198101	0.0322536	1,646	0	1,646	0.0322536	0.00%
Energy Charge - Over 600 KWH per Month	65,056	0.0564300	0.0158563	0.0198101	0.0207636	1,351	0	1,351	0.0207636	0.00%
Total SGS-Non Metered						<u>\$8,409</u>	<u>\$3,967</u>	<u>\$12,376</u>		<u>47.17%</u>
Total Base Small General Service Margin						<u>\$999,189</u>	<u>\$280,466</u>	<u>\$1,279,655</u>		<u>28.07%</u>
TRA Inspection Fee Rider Surcharge						7,243	-7,243	0		-100.00%
Prompt Payment Discount						-36,324	-4,098	-40,422		11.28%
Net Base Small General Service Margin						<u>\$970,108</u>	<u>\$269,125</u>	<u>\$1,239,233</u>		<u>27.74%</u>
						<u>22,662,165</u>				
Rounding							<u>\$38</u>			

Kingsport Power Company
SETTLEMENT Proposed Rate Design
Medium General Service

Attachment C
Schedule 3

Tariff	Billing Determinants	Current Base Rates	Base Fuel Cost	Base Power Cost	Current Margin Rate	Current Margin	Rate Increase	Proposed Margin	Proposed Rates	Percent Increase
Medium General Service:										
MGS-Secondary (Tariff Code 235):										
Service Charge (Bills)	16,060	\$21,500,000			\$21,500,000	\$345,290	\$345,290	\$690,580	\$43,000,000	100.00%
Demand Charge (kW)	425,067	0.000000			0.000000	0	935,147	935,147	2,200,000	100.00%
Energy Charge - Step 1	74,723,930	0.0737400	\$0.0158563	\$0.0235050	0.0343787	2,568,912	0	2,568,912	0.0343787	0.00%
Energy Charge - Step 2	39,777,878	0.0368900	0.0158563	0.0210337	0.000000	0	0	0	0.000000	0.00%
Total MGS Secondary						<u>\$2,914,202</u>	<u>\$1,280,437</u>	<u>\$4,194,639</u>		<u>43.94%</u>
MGS-Primary (Tariff Code 237):										
Service Charge (Bills)	49	93,850,000			93,850,000	\$4,599	\$4,711	\$9,310	\$190,000,000	102.45%
Demand Charge (kW)	5,381	0.000000			0.000000	0	11,569	11,569	2,150,000	0.00%
Energy Charge - Step 1	2,840,698	0.0686400	0.0158563	0.0235111	0.0282726	83,155	0	83,155	0.0282726	0.00%
Energy Charge - Step 2	1,065,152	0.0328000	0.0158563	0.0189437	0.000000	0	0	0	0.000000	0.00%
MGS-Primary						<u>\$87,753</u>	<u>\$16,281</u>	<u>\$104,034</u>		<u>18.55%</u>
MGS-Time of Day (Tariff Code 229):										
Service Charge (Bills)	57	23,450,000			23,450,000	\$1,337	\$1,513	\$2,850	\$50,000,000	113.22%
Energy Charge - On Peak	313,350	0.0884700	0.0158563	0.0283948	0.0442189	13,856	0	13,856	0.0442189	0.00%
Energy Charge - Off Peak	164,425	0.0275500	0.0158563	0.0116937	0.000000	0	0	0	0.000000	0.00%
Total MGS Time of Day						<u>\$15,193</u>	<u>\$1,513</u>	<u>\$16,706</u>		<u>9.96%</u>
Total Base Medium General Service Margin						\$3,017,147	\$1,298,152	\$4,315,300		43.03%
TRA Inspection Fee Rider Surcharge						33,525	-33,525	0		-100.00%
Prompt Payment Discount						-168,129	-18,989	-187,098		11.28%
Net Base Medium General Service Margin						<u>\$2,882,543</u>	<u>\$1,245,638</u>	<u>\$4,128,201</u>		<u>43.21%</u>
						<u>16,166</u>				
						<u>430,448</u>				
						<u>118,865,433</u>				
						Rounding	\$79			

Kingsport Power Company
SETTLEMENT Proposed Rate Design
Large General Service

Attachment C
Schedule 4

Tariff	Billing Determinants	Current Base Rates	Base Fuel Cost	Base Power Cost	Current Margin Rate	Current Margin	Rate Increase	Proposed Margin	Proposed Rates	Percent Increase
Large General Service:										
LGS-Secondary (Tariff Code 240):										
Service Charge (Bills)	2,791	\$77.8500000			\$77.8500000	\$217,279	\$218,117	\$435,396	\$156.0000000	100.39%
Energy Charge (KWH)	226,070,879	0.0386900	\$0.0158563	\$0.0149670	0.0078667	1,778,432	0	1,778,432	0.0078667	0.00%
Demand Charge (KVA)	855,560	3.7900000			3.7900000	2,484,572	1,920,791	4,405,363	6.7200000	77.31%
Total LGS-Secondary						<u>\$4,480,284</u>	<u>\$2,138,907</u>	<u>\$6,619,191</u>		<u>47.74%</u>
LGS-Multi-Secondary (Tariff Code 242):										
Service Charge (Bills)	48	77.8500000			77.8500000	\$3,737	\$3,751	\$7,488	\$156.0000000	100.39%
Energy Charge (KWH)	4,590,800	0.0386900	0.0158563	0.0149670	0.0078667	36,114	0	36,114	0.0078667	0.00%
Demand Charge (KVA)	12,346	3.7900000			3.7900000	46,791	36,174	82,965	6.7200000	77.31%
Total LGS-Multi-Secondary						<u>\$86,643</u>	<u>\$39,925</u>	<u>\$126,568</u>		<u>45.08%</u>
LGS-Primary (Tariff Code 244):										
Service Charge (Bills)	78	163.6000000			163.6000000	\$12,761	\$12,979	\$25,740	\$330.0000000	101.71%
Energy Charge (KWH)	13,459,500	0.0340100	0.0158563	0.0095426	0.0085111	114,555	0	114,555	0.0085111	0.00%
Demand Charge (KVA)	52,670	3.6800000			3.6800000	193,826	120,088	313,913	5.9600000	61.96%
Total LGS-Primary						<u>\$321,142</u>	<u>\$133,067</u>	<u>\$454,208</u>		<u>41.44%</u>
Total Base Large General Service Margin						<u>\$4,888,068</u>	<u>\$2,312,079</u>	<u>\$7,200,146</u>		<u>47.30%</u>
TRA Inspection Fee Rider Surcharge						<u>59,710</u>	<u>-59,710</u>	<u>0</u>		<u>-100.00%</u>
Prompt Payment Discount						<u>-299,448</u>	<u>-33,796</u>	<u>-333,232</u>		<u>11.28%</u>
Net Base Large General Service Margin						<u>\$4,648,332</u>	<u>\$2,218,573</u>	<u>\$6,866,915</u>		<u>47.73%</u>
	2,917									
	<u>244,121,179</u>									
	<u>720,576</u>									
						Rounding	<u>-5179</u>			

Kingsport Power Company
SETTLEMENT Proposed Rate Design
Industrial Power Service

Attachment C
Schedule 5

Tariff	Billing Determinants	Current Base Rates	Base Fuel Cost	Base Power Cost	Current Margin Rate	Current Margin	Rate Increase	Proposed Margin	Proposed Rates	Percent Increase
Industrial Power Service:										
IP-Primary (Tariff Code 322):										
Service Charge (Bills)	29	\$240.000000			\$240.000000	\$6,960	\$6,960	\$13,920	\$480.000000	100.00%
Energy Charge (KWH)	85,124,202	0.0230200	\$0.0158563	\$0.0071837	0.0000000	0	0	0	0.0000000	0.00%
On-Peak Demand Charge (KW)	145,875	8.7000000		5.4736940	3.2263060	470,637	172,871	643,309	4,4100000	36.89%
Off-Peak Demand Charge (KW)	383	2.5700000			2.5700000	984	705	1,689	4,4100000	71.80%
Reactive Charge (KVAR)	1,555	0.7500000			0.7500000	1,166	0	1,166	0.7500000	0.00%
Total IP-Primary						\$479,748	\$180,336	\$660,084		37.59%
IP-Transmission (Tariff Code 324):										
Service Charge (Bills)	48	1,930.0000000			1,930.0000000	\$92,640	\$92,640	\$185,280	3,850.0000000	100.00%
Energy Charge (KWH)	884,274,471	0.0224100	0.0158563	0.0065537	0.0000000	0	0	0	0.0000000	0.00%
On-Peak Demand Charge (KW)	1,314,816	7.6000000		6.2526666	1.3073334	1,718,903	1,449,804	3,168,707	2,4100000	94.34%
Off-Peak Demand Charge (KW)	4,908	1.4000000			1.4000000	6,871	98	6,969	1,4200000	1.43%
Reactive Charge (KVAR)	141,180	0.7500000			0.7500000	105,885	0	105,885	0.7500000	0.00%
Backup Reservation Charge - Level A	252,000	0.4200000		0.4200000	0.0000000	0	0	0	0.0000000	0.00%
Backup Reservation Charge - Level B	120,000	0.8300000		0.8300000	0.0000000	0	0	0	0.0000000	0.00%
Total IP-Transmission						\$1,924,299	\$1,542,542	\$3,466,841		80.16%
Total Base Industrial Power Margin						\$2,404,047	\$1,719,088	\$4,123,135		71.51%
TRA Inspection Fee Rider Surcharge						184,851	-184,851	0		-100.00%
Prompt Payment Discount						-826,729	-23,314	-850,042		2.82%
Net Base Industrial Margin						\$1,742,170	\$1,530,923	\$3,273,093		87.87%
	77									
	969,398,673									
	1,460,691									
	5,291									
	142,735									
	252,000									
	120,000									
						Rounding	\$3,790			

Kingsport Power Company
SETTLEMENT Proposed Rate Design
Church Service

Attachment C
Schedule 6

Tariff	Billing Determinants	Current Base Rates	Base Fuel Cost	Base Power Cost	Current Margin Rate	Current Margin	Rate Increase	Proposed Margin	Proposed Rates	Percent Increase
Church Service:										
Church Service (Tariff Code 221):										
Service Charge (REs)	2,186	\$17,0000000			\$17,0000000	\$37,162	\$37,162	\$74,324	\$34,0000000	100.00%
Energy Charge (KWh)	9,850,982	0.0621300	\$0.0158563	\$0.0236921	0.0225816	222,451	74,162	296,613	0.0301100	33.34%
Total Church Service (Tariff Code 221)						<u>\$259,613</u>	<u>\$111,324</u>	<u>\$370,937</u>		<u>42.88%</u>
Total Base Church Service Margin						\$259,613	\$111,300	\$370,999		42.90%
TRA Inspection Fee Rider Surcharge						2,877	-2,877	0		-100.00%
Prompt Payment Discount						-14,426	-1,628	-18,054		11.28%
Net Base Church Service Margin						<u>\$248,064</u>	<u>\$106,881</u>	<u>\$354,945</u>		<u>43.09%</u>
Rounding							<u>-\$61</u>			

Kingsport Power Company
SETTLEMENT Proposed Rate Design
Public School Service

Attachment C
Schedule 7

Tariff	Billing Determinants	Current Base Rates	Base Fuel Cost	Base Power Cost	Current Margin Rate	Current Margin	Rate Increase	Proposed Margin	Proposed Rates	Percent Increase
Public School:										
Public School - Regular (Tariff Code 640):										
Service Charge (Bills)	183	\$28.8500000			\$28.8500000	\$5,280	\$5,243	\$10,523	\$57.5000000	99.31%
Energy Charge (KWh)	6,991,149	0.0506800	\$0.0158563	\$0.0342166	0.0106071	74,156	60,913	135,069	0.0193200	82.14%
Total Public School - Regular						\$79,435	\$66,156	\$145,591		83.28%
Public School - Electric Heating Units (Tariff Code 641):										
Service Charge (Bills)	12	28.8500000			28.8500000	\$346	\$344	\$690	\$57.5000000	99.31%
Energy Charge - Block 1 (KWh)	150,000	0.0606800	0.0158563	0.0342166	0.0106071	1,591	1,307	2,898	0.0193200	82.14%
Energy Charge - Block 2 (KWh)	769,200	0.0464100	0.0158563	0.0342166	-0.0036629	-2,816	6,702	3,884	0.0050500	-237.87%
Total Public School - Electric Heating Units						-\$880	\$8,353	\$7,472		-846.91%
Public School - Electric Heating (Tariff Code 642):										
Service Charge (Bills)	172	28.8500000			28.8500000	\$4,962	\$4,928	\$9,890	\$57.5000000	99.31%
Energy Charge (KWh)	19,503,060	0.0464100	0.0158563	0.0342166	-0.0036629	-71,438	169,928	98,491	0.0050500	-237.87%
Total Public School - Electric Heating						-\$66,476	\$174,856	\$108,381		-263.04%
Total Base Public School Margin						\$12,079	\$249,404	\$261,484		2064.89%
TRA Inspection Fee Rider Surcharge						6,441	-6,441	0		-100.00%
Prompt Payment Discount						-32,301	-3,644	-35,945		11.28%
Net Base Public School Margin	367					-\$13,781	\$239,319	\$225,538		-1738.65%
	27,413,429									
						Rounding	-\$39			

Kingsport Power Company
SETTLEMENT Proposed Rate Design
Electric Heating General Service

Attachment C
Schedule B

Tariff	Billing Determinants	Current Base Rates	Base Fuel Cost	Base Power Cost	Current Margin Rate	Current Margin	Rate Increase	Proposed Margin	Proposed Rates	Percent Increase
Electric Heating General Service:										
Electric Heating General - Regular (Tariff Code 208):										
Service Charge (Bills)	5,314	\$25.1000000			\$25.1000000	\$133,381	\$133,275	\$266,657	\$50.1800000	99.92%
Energy Charge (KWh)	20,527,982	0.0551600	\$0.0158563	\$0.0236170	0.0156867	322,016	0	322,016	0.0156867	0.00%
Demand Charge (KW)	96,863	2.3100000			2.3100000	223,754	116,236	339,989	3.5100000	51.95%
Total Electric Heating General - Regular						\$679,151	\$249,511	\$928,662		36.74%
Electric Heating General - Minimum (Tariff Code 209):										
Service Charge (Bills)	1,643	\$25.1000000			\$25.1000000	\$41,239	\$41,206	\$82,446	\$50.1800000	99.92%
Energy Charge (KWh)	4,214,295	0.0551600	0.0158563	0.0236170	0.0156867	66,108	0	66,108	0.0156867	0.00%
Demand Charge (KW)	25,847	0.0000000			0.0000000	0	0	0	0.0000000	0.00%
Total Electric Heating General - Minimum						\$107,348	\$41,206	\$148,554		38.39%
Total Base Electric Heating General Service Margin						\$786,499	\$290,757	\$1,077,256		36.87%
TRA Inspection Fee Rider Surcharge						7,509	-7,509	0		-100.00%
Prompt Payment Discount						-37,657	-4,249	-41,906		11.28%
Net Base Electric Heating General Service Margin						\$756,351	\$278,999	\$1,035,350		36.89%
	6,957									
	24,742,277									
	122,710									
						Rounding	-\$40			

Kingsport Power Company
SETTLEMENT Proposed Rate Design
Outdoor Lighting Service

Attachment C
Schedule 9

Tariff	Billing Determinants	Current Base Rates	Base Fuel Cost	Base Power Cost	Current Margin Rate	Current Margin	Rate Increase	Proposed Margin	Proposed Rates	Percent Increase
Outdoor Lighting Service:										
Lamps Charges:										
7000 Mercury Vapor (93)	3,096	\$9,350,000	\$0.000000	\$1.540000	\$7.810000	\$24,180	\$3,870	\$28,050	\$9,060,000	16.01%
9500 High Pressure Sodium (94)	33,558	7,100,000	0.000000	0.800000	6.300000	211,415	32,216	243,631	7,260,000	15.24%
20000 Mercury Vapor (95)	389	16,100,000	0.000000	3.380000	12.720000	4,948	844	5,792	14,890,000	17.06%
22000 High Pressure Sodium (97)	8,573	10,700,000	0.000000	1.800000	8.900000	76,330	12,345	88,645	10,340,000	16.18%
7000 Mercury Vapor Post Top (98)	0	13,950,000	0.000000	1.540000	12.310000	0	0	0	14,180,000	15.16%
27500 High Pressure Sodium Post Top (103)	48	36,950,000	0.000000	2.200000	34.750000	1,668	239	1,907	39,730,000	14.33%
50000 High Pressure Sodium Post Top (104)	0	42,450,000	0.000000	3.550000	38.900000	0	0	0	44,630,000	14.73%
22000 High Pressure Sodium Floodlight (107)	5,020	11,300,000	0.000000	1.800000	9.500000	47,090	7,630	55,320	11,020,000	18.00%
50000 High Pressure Sodium Floodlight (109)	1,355	16,700,000	0.000000	3.550000	12.150000	16,463	2,873	19,336	14,270,000	17.45%
17000 Metal Halide Floodlight (110)	554	13,100,000	0.000000	2.140000	10.960000	6,072	981	7,052	12,730,000	16.15%
9500 High Pressure Sodium Post Top (111)	3,603	11,600,000	0.000000	0.800000	10.800000	38,912	5,621	44,533	12,360,000	14.44%
9500 High Pressure Sodium Floodlight (115)	1,285	9,050,000	0.000000	0.800000	8.250000	10,601	1,568	12,169	9,470,000	14.79%
28800 Metal Halide Floodlight (116)	7,542	15,300,000	0.000000	3.380000	12.520000	95,678	16,354	112,032	14,860,000	17.06%
50000 High Pressure Sodium Shoebox (120)	156	18,650,000	0.000000	3.550000	15.100000	2,356	392	2,747	17,610,000	16.62%
6300 High Pressure Sodium Post Top (121)	0	11,600,000	0.000000	0.610000	10.990000	0	0	0	12,560,000	14.19%
16000 High Pressure Sodium Post Top (122)	276	34,450,000	0.000000	1.250000	33.200000	9,163	1,283	10,447	37,850,000	14.01%
22000 High Pressure Post Top Floodlight (123)	0	32,900,000	0.000000	1.800000	31.100000	0	0	0	35,540,000	14.28%
50000 High Pressure Post Top Floodlight (124)	48	40,050,000	0.000000	3.550000	36.500000	1,752	258	2,011	41,900,000	14.79%
36000 Metal Halide Post Top (125)	0	42,550,000	0.000000	3.380000	39.170000	0	0	0	44,910,000	14.65%
36000 Metal Halide Post Top Floodlight (126)	60	40,100,000	0.000000	3.380000	38.720000	2,203	325	2,528	42,130,000	14.73%
Total Lamps	65,663					\$549,402	\$86,799	\$636,200		15.80%
Facility Charges:										
Poles	6,306	7,950,000	0.000000	0.000000	7.950000	\$50,133	0	\$50,133	7,950,000	0.00%
Spans	1,855	1,400,000	0.000000	0.000000	1.400000	2,597	0	2,597	1,400,000	0.00%
Conduits	3,454	1,000,000	0.000000	0.000000	1.000000	3,454	0	3,454	1,000,000	0.00%
Total Facility Charges						\$56,184	\$0	\$56,184		0.00%
Total Base Outdoor Lighting Service Margin						\$605,586	\$86,784	\$692,369		14.33%
TRA Inspection Fee Rider Surcharge						2,241	-2,241	0		-100.00%
Prompt Payment Discount						-11,240	-1,258	-12,508		11.26%
Net Base Outdoor Lighting Service Margin						\$596,586	\$83,275	\$679,861		13.96%
Rounding							\$14			

Kingsport Power Company
SETTLEMENT Proposed Rate Design
Street Lighting Service

Attachment C
Schedule 10
Page 1 of 2

Tariff Account, Vintage Rate, Structure, Lamp Size	Billing Determinants	Current Margin Rate	Margin	Rate Increase	Proposed Margin	Percent Increase
Street Lighting Service:						
Account 325:						
Unknown, Unknown, Unknown	12	\$3.20	\$36			
Pre 1-1-95, Post Top, HPS-9500	4,536	5.22	23,678			
Pre 1-1-95, Existing Pole, HPS-9500	21,668	5.65	122,424			
Pre 1-1-95, Existing Pole, HPS-16000	2,680	6.60	19,008			
Post 1-1-95, Existing Pole, HPS-9500	38	7.34	279			
Pre 1-1-95, Existing Pole, MV-7000	1,347	7.62	10,264			
Pre 1-1-95, Existing Pole, HPS-22000	96	8.43	609			
Pre 1-1-95, Wood Pole, HPS-9500	13,390	10.71	143,407			
Pre 1-1-95, Post Top, HPS-16000	216	11.53	2,490			
Pre 1-1-95, Wood Pole, HPS-16000	1,296	11.68	15,111			
Pre 1-1-95, Wood Pole, MV-7000	208	12.69	3,782			
Pre 1-1-95, Aluminum, HPS-9500	48	12.71	610			
Pre 1-1-95, Existing Pole, MV-20000	115	12.85	1,478			
Pre 1-1-95, Wood Pole, HPS-22000	0	13.49	0			
Pre 1-1-95, Steel Pole, HPS-9500	132	15.79	2,084			
Pre 1-1-95, Steel Pole, HPS-16000	0	16.74	0			
Pre 1-1-95, Wood Pole, MV-20000	24	17.81	430			
Pre 1-1-95, Steel Pole, HPS-28000	12	19.47	234			
Pre 1-1-95, Steel Pole, MV-20000	140	22.99	3,210			
Pre 1-1-95, Fiberglass, HPS-16000	396	23.44	9,282			
Total Account 325	46,644		\$358,626			
Account 425:						
Pre 1-1-95, Existing-EM, HPS-22000	408	\$6.39	\$2,607			
Pre 1-1-95, Existing-Pole, HPS-22000	7,154	8.43	60,208			
Pre 1-1-95, Existing-Pole, HPS-28000	1,420	9.33	13,249			
Pre 1-1-95, Existing-Pole, HPS-50000	2,412	12.73	30,705			
Pre 1-1-95, Wood Pole, HPS-22000	780	13.49	10,522			
Pre 1-1-95, Wood Pole, HPS-28000	396	14.39	5,698			
Pre 1-1-95, Wood Pole, HPS-50000	504	17.80	8,971			
Pre 1-1-95, Steel Pole, HPS-22000	43	18.57	799			
Pre 1-1-95, Steel Pole, HPS-28000	2,716	19.47	52,881			
Pre 1-1-95, Steel Pole, HPS-50000	1,119	22.87	25,569			
Pre 1-1-95, Existing-EM, HPS-140000	1,152	24.46	28,178			
Pre 1-1-95, Fiberglass, HPS-28000	60	26.17	1,570			
Pre 1-1-95, Aluminum, HPS-28000	132	35.71	4,714			
Pre 1-1-95, Aluminum, HPS-50000	1,416	39.12	55,394			
Pre 1-1-95, Steel, HPS-140000	660	91.78	60,575			
Total Account 425	20,371		\$361,739			

Kingsport Power Company
CPAD Proposed Rate Design
Street Lighting Service

Settlement-2
Schedule 10
Page 2 of 2

Tariff Account, Vintage Rate, Structure, Lamp Size	Billing Determinants	Current Margin Rate	Margin	Rate Increase	Proposed Margin	Percent Increase
Street Lighting Service:						
Account 625:						
Pre 1-1-95, Existing-Pole, HPS-9500	350	\$5.65	\$1,978			
Post 1-1-95, Post Top, HPS-9500	548	6.79	3,721			
Post 1-1-95, Existing-Pole, HPS-9500	18,031	7.34	117,888			
Pre 1-1-95, Existing-Pole, MV-7000	0	7.62	0			
Post 1-1-95, Existing-Pole, HPS-16000	8,371	8.58	54,653			
Pre 1-1-95, Wood Pole, HPS-9500	70	10.71	750			
Post 1-1-95, Existing-Pole, HPS-22000	1,497	10.96	16,407			
Pre 1-1-95, Post Top, HPS-16000	108	11.53	1,245			
Post 1-1-95, Existing-Pole, HPS-28000	477	12.12	5,781			
Pre 1-1-95, Aluminum, HPS-9500	12	12.71	153			
Pre 1-1-95, Wood Pole, HPS-22000	0	13.49	0			
Post 1-1-95, Post Top, HPS-16000	9,605	13.58	130,436			
Post 1-1-95, Wood Pole, HPS-9500	9,434	13.93	131,416			
Post 1-1-95, Wood Pole, HPS-16000	1,086	15.17	16,475			
Post 1-1-95, Fiberglass, HPS-9500	180	16.54	2,977			
Post 1-1-95, Existing-Pole, HPS-50000	719	16.55	11,898			
Post 1-1-95, Wood Pole, HPS-22000	367	17.55	6,441			
Post 1-1-95, Wood Pole, HPS-28000	144	18.71	2,694			
Post 1-1-95, Wood Pole, HPS-50000	60	23.14	1,308			
Pre 1-1-95, Fiberglass, HPS-16000	72	23.44	1,688			
Post 1-1-95, Steel Post, HPS-28000	192	25.31	4,860			
Post 1-1-95, Aluminum, HPS-28000	845	26.81	21,809			
Post 1-1-95, Steel Post, HPS-50000	509	29.74	15,138			
Post 1-1-95, Fiberglass, HPS-28000	660	35.22	23,245			
Pre 1-1-95, Aluminum, HPS-28000	120	35.71	4,285			
Post 1-1-95, Fiberglass, HPS-50000	204	39.65	8,089			
Post 1-1-95, Aluminum, HPS-22000	156	45.26	7,061			
Post 1-1-95, Aluminum, HPS-28000	938	46.42	43,542			
Post 1-1-95, Aluminum, HPS-50000	2,216	50.85	112,785			
Total Account 625	52,873		\$748,592			
Account 725:						
Unknown, Unknown, Unknown	79	\$3.20	\$253			
Pre 1-1-95, Existing-Pole, HPS-9500	5,907	5.65	33,375			
Pre 1-1-95, Existing-Pole, HPS-16000	372	6.60	2,455			
Unknown, Unknown, Unknown	12	6.75	81			
Post 1-1-95, Post Top, HPS-9500	552	6.79	3,748			
Post 1-1-95, Existing-Pole, HPS-9500	14	7.34	103			
Post 1-1-95, Aluminum, HPS-9500	38	16.54	629			
Total Account 725	6,974		\$40,643			
Total Base Street Lighting Service Margin						
			\$1,509,602	\$214,592	\$1,724,194	14.22%
TRA Inspection Fee Rider Surcharge			4,520	-4,529	0	0.00%
Prompt Payment Discount			-22,712	-3,151	-25,863	0.00%
Net Base Street Lighting Service Margin	126,882		\$1,491,419	\$206,912	\$1,698,331	13.87%

ATTACHMENT

D

**BEFORE
THE TENNESSEE REGULATORY AUTHORITY**

)	
)	
)	
PETITION OF KINGSPORT POWER)	
COMPANY D/B/A AEP)	Docket No. 16-00001
APPALACHIAN POWER FOR A)	
GENERAL RATE CASE)	
)	
)	

ATTACHMENT D

**FUEL AND PURCHASED POWER ADJUSTMENT RIDER RATES
AND
ILLUSTRATION OF MECHANISM TO ADJUST RATES**

August 3, 2016

Illustration of Fuel and Purchased Power Adjustment Rider Reconciliation / True-Up		
(A)	Actual Fuel & Purchased Power Cost - Prior Period	\$ 133,000,000
(B)	Actual Fuel & Purchased Power Revenue - Prior Period	\$ 134,000,000
(C)=(A+B)	Prior Period (Over)/Under Recovery	\$ (1,000,000)
(D)	Estimated Fuel & Purchased Power Cost - Future Period	\$ 136,000,000
(E)=(C+D)	Total Required Fuel & Purchased Power Revenue - Future Period	\$ 135,000,000
(F)	Estimated Fuel & Purchased Power Revenue - Future Period - Current f	\$ 134,569,028
(G)=(E/F)	Adjustment/Scaling Factor to Apply to Current Rates	1.003202606

Description (1)	Estimated Billing Units (2)	Current		Adjusted	
		Fuel and Purchased Power Rates (3)	Fuel and Purchased Power Revenue (4)=(2*3)	Fuel and Purchased Power Rates (5)=(3*G)	Fuel and Purchased Power Revenue (6)=(2*5)
<u>Residential</u>					
All kWh	679,017,551	\$ 0.07709	\$ 52,342,820	\$ 0.07733	\$ 52,510,454
Storage Water Heating	52,604	\$ 0.05916	\$ 3,112	\$ 0.05935	\$ 3,122
Service Charge	494,284		\$ -		\$ -
<u>Residential Employee</u>					
All kWh	1,665,056	\$ 0.07709	\$ 128,353	\$ 0.07733	\$ 128,764
Storage Water Heating	3,000	\$ 0.05916	\$ 177	\$ 0.05935	\$ 178
Service Charge	1,107		\$ -		\$ -
<u>Residential Time-of-Day</u>					
On-peak kWh	60,461	\$ 0.08825	\$ 5,336	\$ 0.08854	\$ 5,353
Off-peak kWh	37,720	\$ 0.05916	\$ 2,231	\$ 0.05935	\$ 2,239
Service Charge	47		\$ -		\$ -
<u>Small General Service (SGS)</u>					
First 600 kWh	12,701,278	\$ 0.06245	\$ 793,157	\$ 0.06265	\$ 795,697
Over 600 kWh	9,960,887	\$ 0.06245	\$ 622,028	\$ 0.06265	\$ 624,020
Service Charge	43,489		\$ -		\$ -
<u>Medium General Service (MGS) Secondary</u>					
Demand - kW	425,067	\$ -	\$ -	\$ -	\$ -
First 200 kWh per kW	74,723,930	\$ 0.06951	\$ 5,193,978	\$ 0.06973	\$ 5,210,612
Over 200 kWh per kW	39,777,878	\$ 0.06704	\$ 2,666,614	\$ 0.06725	\$ 2,675,154
Service Charge	16,060		\$ -		\$ -
<u>General Service Time-of-Day (GS-TOD)</u>					
On-peak kWh	313,350	\$ 0.07440	\$ 23,313	\$ 0.07464	\$ 23,388
Off-peak kWh	164,425	\$ 0.05770	\$ 9,487	\$ 0.05788	\$ 9,517
Service Charge	57		\$ -		\$ -
<u>Medium General Service (MGS) Primary</u>					
Demand - kW	5,381	\$ -	\$ -	\$ -	\$ -
First 200 kWh per kW	2,840,698	\$ 0.06952	\$ 197,471	\$ 0.06974	\$ 198,104
Over 200 kWh per kW	1,065,152	\$ 0.06295	\$ 67,049	\$ 0.06315	\$ 67,264
Service Charge	49		\$ -		\$ -

Description (1)	Estimated Billing Units (2)	Current		Adjusted	
		Fuel and Purchased Power Rates (3)	Fuel and Purchased Power Revenue (4)=(2*3)	Fuel and Purchased Power Rates (5)=(3*G)	Fuel and Purchased Power Revenue (6)=(2*5)
<u>Large General Service (LGS) Secondary</u>					
Demand - kVA	667,906	\$ 4.60	\$ 3,072,368	\$ 4.61	\$ 3,082,207
All kWh	230,661,679	\$ 0.04822	\$ 11,123,269	\$ 0.04838	\$ 11,158,893
Service Charge	2,839		\$ -		\$ -
<u>Large General Service (LGS) Primary</u>					
Demand - kVA	52,670	\$ 4.60	\$ 242,282	\$ 4.61	\$ 243,058
All kWh	13,459,500	\$ 0.04290	\$ 577,397	\$ 0.04304	\$ 579,246
Service Charge	78		\$ -		\$ -
<u>Industrial Power (IP) Primary</u>					
Demand - On-Peak kW	145,875	\$ 9.83	\$ 1,434,490	\$ 9.87	\$ 1,439,084
Demand - Off-Peak kW	383	\$ -	\$ -	\$ -	\$ -
Demand - Reactive KVAR	1,555	\$ -	\$ -	\$ -	\$ -
All kWh	85,124,202	\$ 0.03862	\$ 3,287,612	\$ 0.03875	\$ 3,298,141
Service Charge	29		\$ -		\$ -
<u>Industrial Power (IP) Transmission</u>					
Demand - On-Peak kW	1,314,816	\$ 10.65	\$ 14,006,296	\$ 10.69	\$ 14,051,153
Demand - Off-Peak kW	4,908	\$ -	\$ -	\$ -	\$ -
Demand - Reactive KVAR	141,180	\$ -	\$ -	\$ -	\$ -
All kWh	884,274,471	\$ 0.03801	\$ 33,612,474	\$ 0.03813	\$ 33,720,122
Service Charge	48		\$ -		\$ -
Backup Reservation - Level A	252,000	\$ 0.42	\$ 105,840	\$ 0.42	\$ 106,179
Backup Reservation - Level B	120,000	\$ 0.83	\$ 99,600	\$ 0.83	\$ 99,919
<u>Church Service</u>					
All kWh	9,850,982	\$ 0.07098	\$ 699,242	\$ 0.07121	\$ 701,482
Service Charge	2,186		\$ -		\$ -
<u>Public Schools (PS)</u>					
Block 1 kWh Standard	7,141,149	\$ 0.07788	\$ 556,138	\$ 0.07813	\$ 557,919
Block 2 kWh Electric Heating	20,272,280	\$ 0.07788	\$ 1,578,763	\$ 0.07813	\$ 1,583,819
Service Charge	367		\$ -		\$ -
<u>Electric Heating General (EHG)</u>					
Demand - kW in excess of 30	96,863	\$ -	\$ -	\$ -	\$ -
All kWh	24,742,277	\$ 0.06937	\$ 1,716,462	\$ 0.06960	\$ 1,721,959
Service Charge	6,957		\$ -		\$ -

Description (1)	Estimated Billing Units (2)	Current		Adjusted		
		Fuel and Purchased Power Rates (3)	Fuel and Purchased Power Revenue (4)=(2*3)	Fuel and Purchased Power Rates (5)=(3*G)	Fuel and Purchased Power Revenue (6)=(2*5)	
<u>Outdoor Lighting (OL)</u>						
Overhead Lighting Service						
High Pressure Sodium						
100 watts, 9,500 Lumens (094)	33,558	\$ 1.20	\$ 40,270	\$ 1.20	\$ 40,399	
200 watts, 22,000 Lumens (097)	8,573	\$ 2.69	\$ 23,061	\$ 2.70	\$ 23,135	
Flood Lighting Service						
High Pressure Sodium - Floodlight						
100 watts, 9,500 Lumens (115)	1,285	\$ 1.20	\$ 1,542	\$ 1.20	\$ 1,547	
200 watts, 22,000 Lumens (107)	5,020	\$ 2.69	\$ 13,504	\$ 2.70	\$ 13,547	
400 watts, 50,000 Lumens (109)	1,355	\$ 5.32	\$ 7,209	\$ 5.34	\$ 7,232	
High Pressure Sodium - Shoebox						
400 watts, 50,000 Lumens (120)	156	\$ 5.32	\$ 830	\$ 5.34	\$ 833	
Metal Halide - Floodlight						
250 watts, 17,000 Lumens (110)	554	\$ 3.20	\$ 1,773	\$ 3.21	\$ 1,778	
400 watts, 28,800 Lumens (116)	7,642	\$ 5.06	\$ 38,669	\$ 5.08	\$ 38,792	
Mercury Vapor						
175 watts, 7,000 Lumens (093)	3,096	\$ 2.30	\$ 7,121	\$ 2.31	\$ 7,144	
400 watts, 20,000 Lumens (095)	389	\$ 5.06	\$ 1,968	\$ 5.08	\$ 1,975	
Post Top Lighting Service						
High Pressure Sodium - PT						
100 watts, 9,500 Lumens (111)	3,603	\$ 1.20	\$ 4,324	\$ 1.20	\$ 4,337	
70 watts, 6,300 Lumens (121)	0	\$ 0.91	\$ -	\$ 0.91	\$ -	
150 watts, 16,000 Lumens (122)	276	\$ 1.87	\$ 516	\$ 1.88	\$ 518	
250 watts, 27,500 Lumens (103)	48	\$ 3.29	\$ 158	\$ 3.30	\$ 158	
400 watts, 50,000 Lumens (104)	0	\$ 5.32	\$ -	\$ 5.34	\$ -	
Flood Lighting Service - PT						
High Pressure Sodium - Floodlight						
200 watts, 22,000 Lumens (123)	0	\$ 2.69	\$ -	\$ 2.70	\$ -	
400 watts, 50,000 Lumens (124)	48	\$ 5.32	\$ 255	\$ 5.34	\$ 256	
Metal Halide - PT						
400 watts, 36,000 Lumens (125)	0	\$ 5.06	\$ -	\$ 5.08	\$ -	
Metal Halide - Floodlight - PT						
400 watts, 36,000 Lumens (126)	60	\$ 5.06	\$ 304	\$ 5.08	\$ 305	
Mercury Vapor - PT						
175 watts, 7,000 Lumens (099)	0	\$ 2.30	\$ -	\$ 2.31	\$ -	
<u>Street Lighting (SL)</u>			\$ 260,166		\$ 260,999	
Total			\$ 134,569,028		\$ 135,000,000	