

**IN THE TENNESSEE REGULATORY AUTHORITY
AT NASHVILLE, TENNESSEE**

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

PETITION TO INTERVENE

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” or “Petitioner”), pursuant to Tenn. Code Ann. § 65-4-118, respectfully petitions the Tennessee Regulatory Authority (“TRA” or “Authority”) to grant the Consumer Advocate’s intervention into this proceeding because consumers’ interests, rights, duties or privileges may be determined or affected by the *Petition of Kingsport Power Company d/b/a AEP Appalachian Power General Rate Case and Motion for Protective Order* (“*Petition*”) filed in this TRA Docket by Kingsport Power Company d/b/a AEP Appalachian Power (“Kingsport” or “Utility”). For cause, Petitioner would show as follows:

1. The Consumer Advocate is authorized by Tenn. Code Ann. § 65-4-118 to represent the interests of Tennessee consumers of public utilities services by initiating and intervening as a party in any matter or proceeding before the Authority in accordance with the Uniform Administrative Procedures Act, Tenn. Code Ann. § 4-5-101 *et seq.*, and Authority rules.
2. Kingsport is a public utility regulated by the Authority and provides electric power distribution service to approximately 47,000 customers in Tennessee. All of Kingsport’s

electric power requirements are purchased from Appalachian Power Company. The Utility's principal office is located in Kingsport, Sullivan County, Tennessee.¹

3. On January 4, 2016, Kingsport filed the *Petition*, in which Kingsport "requests an increase in its base rates to reflect, among other items, current levels of capital investment and expenses, increased spending for forestry to improve customer reliability, recovery of costs for the current and proposed Demand Side Management [. . .] programs, inclusion of an average level of major storm expenses, and updates to certain other costs."² Generally, Kingsport is requesting approval of a rate increase of approximately \$12.1 million.³ Kingsport states that the increase to the bill of a typical residential customer using 1,500 kWh/month would be approximately \$17.20 per month in the first year, or 13.2%.⁴

4. The requested rate increase, according to Kingsport, would provide a projected rate of return of 6.69% on an adjusted total rate base of \$71.5 million, and a rate of return on projected common equity of 10.66%.⁵ Kingsport asserts that its "per books total company rate of return, as of June, 2015, was 1.11%" and that "it is not achieving a fair return on its investment with the rates currently in effect."⁶

5. Kingsport also requests, in the *Petition*, what it characterizes as "revenue-neutral rate adjustments through a rate realignment surcharge to annually adjust rates over a five-year period to continue the gradual process toward cost alignment among tariffs."⁷

6. The interests of consumers, including without limitation the proposed increase in rates to be paid by the Utility's consumers under the *Petition*, may be affected by determinations

¹ *Petition*, page 2, paragraph 2. Kingsport states that Appalachian Power Company's rates and charges are subject to the jurisdiction of the Federal Energy Regulatory Commission. *Id.*

² *Petition*, page 2, paragraph 3.

³ *Petition*, page 3, paragraph 6.

⁴ *Petition*, page 3, paragraph 8.

⁵ *Petition*, page 3, paragraph 9.

⁶ *Petition*, page 3, paragraph 7.

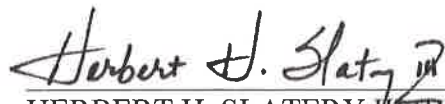
⁷ *Petition*, page 2, paragraph 4.

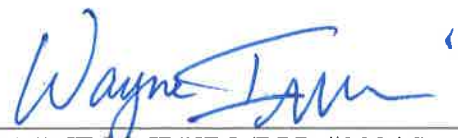
and orders made by the Authority with respect to (i) the interpretation, application, and implementation of Tenn. Code Ann. § 65-5-103 and other relevant statutory and regulatory provisions and (ii) the review and analysis of the documentation, financial spreadsheets, and materials provided by the Utility.

7. Only by participating as a party in this proceeding can the Consumer Advocate adequately carry out its statutory duty to represent the interests of Tennessee consumers.

WHEREFORE, Petitioner respectfully asks the Authority to grant this Petition to Intervene.

RESPECTFULLY SUBMITTED,


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CERTIFICATE OF SERVICE


I hereby certify that a true and correct copy of the foregoing was served via U.S. Mail or electronic mail upon:

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This the 8th day of January, 2016.



Wayne M. Irvin