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Respond to:
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KPOW.92585

January 11, 2016

VIA OVERNIGHT DELIVERY:

Sharla Dillon, Dockets & Records Manager
Tennessee Regulatory Authority
502 Deaderick Street, 4th Floor
Nashville, TN 37243

Re: Petition of Kingsport Power Company d/b/a AEP Appalachian Power General Rate Case
TRA Docket No.: 16-00001

Dear Sharla:

On behalf of Petitioner, Kingsport Power Company d/b/a Appalachian Power, we submit herewith four (4) responses, attachments and exhibits relative to the Informal Staff Requests, also known as "MFR's", which were revised by the TRA Staff during our previous Docket No.: 15-00093 (now withdrawn). Included with these responses are four (4) disks containing exhibits and non-confidential attachments.

Certain of the Staff Requests call for Kingsport to respond with confidential information. Hence, once the Protective Order is entered in this Docket, Kingsport will respond to Request Nos.: 27, 29, 35, 37, 40, 50 and one file related to No. 24.

Pursuant to an understanding with the Staff, Kingsport will be providing hard copies of attachments in the near future for any new attachments or, in the case of ledgers and financial statements, additions to the responses provided in hard copy form in response to Request Nos.: 17, 20, 24, 43 and 76, in Docket No.: 15-00093.

Sharla Dillon, Dockets & Records Manager
Page 2
January 11, 2016

Very sincerely yours,

HUNTER, SMITH & DAVIS, LLP



William C. Bovender

Enclosures

c: David Foster (*letter only*)
Kelly Grams, Esq.
William Castle
Larry Foust
James R. Bacha, Esq.
Hector Garcia, Esq.
Brian West
John Shepelwich
Isaac Webb
Jennifer Sebastian
Judy Bohon

**TENNESSEE REGULATORY AUTHORITY
PETITION OF KINGSFORT POWER COMPANY
DOCKET NO. 16-00001**

**Data Requests and Requests for the Production
of Documents by the Staff of the
Tennessee Regulatory Authority (First Set)
To Kingsport Power Company**

Data Request Staff 1-001:

Enclose a \$25 filing fee.

Response Staff 1-001:

The filing fee was paid at the time we filed the case.

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**Data Requests and Requests for the Production
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Data Request Staff 1-002:

The Tennessee Regulatory Authority ("TRA") requires an original and thirteen (13) copies of the filing.

Response Staff 1-002:

Per discussions with the Staff, hard and electronic copies of the filing were provided to the Staff.

**TENNESSEE REGULATORY AUTHORITY
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**Data Requests and Requests for the Production
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Data Request Staff 1-003:

All schedules requested as a computer file and/or a CD are to be provided in Microsoft Excel or Microsoft Word readable format.

Response Staff 1-003:

So noted.

**TENNESSEE REGULATORY AUTHORITY
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**Data Requests and Requests for the Production
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Data Request Staff 1-004:

“COMPANY” means the utility operation that provides natural gas service in the State of Tennessee. If the Company is a separate legal entity, including but not limited to, a subsidiary of another corporation, “Parent” means the entity who owns 50% or more of the voting securities of the Company. If the Company is an operating division of an entity that is engaged in the natural gas utility operations in states other than Tennessee, “Multi-State Utility” means the entity of which the Company is an operating division. “Affiliate” means any entity that controls, is controlled by, or is under common control with the Company. “Affiliated Utility Service Company” means a utility service company that provides services to affiliated regulated utilities and is organized and regulated in accordance with the Public Utility Holding Company Act.

Response Staff 1-004:

So noted.

**TENNESSEE REGULATORY AUTHORITY
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Data Request Staff 1-005:

Whenever “latest” information is requested, this information should not be over 90 days old at the time of filing (unless the latest information is more than 90 days old) and should be updated after filing, if material changes occur.

Response Staff 1-005:

So noted.

**TENNESSEE REGULATORY AUTHORITY
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Data Request Staff 1-006:

“Attrition period (year)” means a twelve-month period beginning approximately six months from the filing date of the proposed rates.

Response Staff 1-006:

The Company used the calendar year of 2016 as its rate, or attrition, year.

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To Kingsport Power Company**

Data Request Staff 1-007:

Please respond fully to each item, even if the data has been partially supplied in prior filings or dockets. Information supplied in one item can be referenced if asked for again in another item.

Response Staff 1-007:

So noted.

**TENNESSEE REGULATORY AUTHORITY
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**Data Requests and Requests for the Production
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To Kingsport Power Company**

Data Request Staff 1-008:

Responses to the requests listed here are to be supplied to the TRA at the following address:

Tennessee Regulatory Authority
502 Deaderick Street, 4th Floor
Nashville, Tennessee 37243

In addition, the TRA requests that the applicant include an additional two (2) copies of its response in both paper and on a CD to the TRA, which the TRA may then make available to the Consumer Advocate and Protection Division. At its option, the applicant may submit these additional copies directly to the Consumer Advocate and Protection Division at the following address:

Tennessee Attorney General's Office
Consumer Advocate and Protection Division
P.O. Box 20207
Nashville, Tennessee 37202

Response Staff 1-008:

Copies will be provided to both the TRA and the Attorney General's Consumer Advocate and Protection Division.

**TENNESSEE REGULATORY AUTHORITY
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To Kingsport Power Company**

Data Request Staff 1-009:

Each copy of the responses should be placed in loose-leaf binders with each item tabbed. Each response should begin by restating the item request. If several sheets are required to answer an item, each sheet should be appropriately labeled and indexed, for example, Item 1(a), Sheet 1 of 4.

Response Staff 1-009:

So noted.

**TENNESSEE REGULATORY AUTHORITY
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**Data Requests and Requests for the Production
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Tennessee Regulatory Authority (First Set)
To Kingsport Power Company**

Data Request Staff 1-010:

For each item responded to, indicate the witness whose testimony would encompass the information requested, where applicable.

Response Staff 1-010:

So noted.

**TENNESSEE REGULATORY AUTHORITY
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**Data Requests and Requests for the Production
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Tennessee Regulatory Authority (First Set)
To Kingsport Power Company**

Data Request Staff 1-011:

For data requested that is also supplied in summary form on the TRA 3.05 reports for the test period only, please reconcile your response to these reports if a variance exists.

Response Staff 1-011:

So noted.

**TENNESSEE REGULATORY AUTHORITY
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**Data Requests and Requests for the Production
of Documents by the Staff of the
Tennessee Regulatory Authority (First Set)
To Kingsport Power Company**

Data Request Staff 1-012:

Unless otherwise specifically requested, information shall be required for the Company only (i.e., for the Tennessee electric utility operations only).

Response Staff 1-012:

So noted.

**TENNESSEE REGULATORY AUTHORITY
PETITION OF KINGSPORT POWER COMPANY
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**Data Requests and Requests for the Production
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To Kingsport Power Company**

Data Request Staff 1-013:

Information for which a claim of confidentiality or privilege is claimed should be filed in a sealed envelope marked "Confidential and Privileged." Any such information will be reviewed by the TRA Staff or the CAPD only after an appropriate non-disclosure agreement has been agreed to. In the absence of the agreement of the party claiming confidentiality or privilege, no such confidential or privileged information may be placed on the TRA's web site or otherwise made public until after the filing party has been given 10 days notice of an Order of the TRA requiring such public disclosure, during which period of time, any interested party may seek a Protective Order from any court having jurisdiction to issue the same.

Response Staff 1-013:

Confidential or privileged information will be so marked.

**TENNESSEE REGULATORY AUTHORITY
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**Data Requests and Requests for the Production
of Documents by the Staff of the
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To Kingsport Power Company**

Data Request Staff 1-014:

If material to the Company's cost or level of service in Tennessee, please provide a comprehensive discussion of all abnormal conditions or changes in condition that (a) occurred during the last three years or (b) are reasonably anticipated to occur up to the anticipated hearing date in this case. Explain how these changes will affect the Company's Tennessee operations going forward. The discussion should include, but not be limited to the following:

- a. Management changes
- b. Operational changes
- c. Administrative changes
- d. Recent or pending mergers, consolidations, or acquisitions
- e. Major changes in sales or transportation volumes
- f. Pending negotiations for possible changes in sales or transportation volumes to any current or prospective commercial or industrial customer.
- g. Labor contracts and/or Union problems
- h. Expenses

Response Staff 1-014:

Customer changes and abnormal weather are discussed in the testimony of Company witness Buck. Company witness Wright discusses changes to expenses and operations associated with the Company's proposed Tennessee Reliability Strategy. DSM expenses are discussed in the testimony of witness Castle. See also Exhibit 3 included in the testimony of witness Allen for a list of adjustments made to the test year. There are no other known or anticipated abnormal conditions or changes, related to the items above, that affect the Company's filing.

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**Data Requests and Requests for the Production
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To Kingsport Power Company**

Data Request Staff 1-015:

State the effect that each of the applicable changes discussed in Item 14 has had or will have on the Company's, its Parent's, Multi-State Utility's, or Affiliated Utility Service Company's, revenues, expenses, rate base, and capital structure, including the Company's, its Parent's, Multi-State Utility's, or Affiliated Utility Service Company's, method of allocating each change among its regulated, unregulated, and jurisdictional operations.

Response Staff 1-015:

See the testimony and exhibits referenced in the Company's response to Staff Informal 1-014 for the effects on Kingsport's revenues, expenses, rate base and capital. Because Kingsport Power is regulated by the TRA and only serves customers in Tennessee, there are no allocations of the adjustments that would affect Kingsport's parent or affiliated companies.

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**Data Requests and Requests for the Production
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To Kingsport Power Company**

Data Request Staff 1-016:

Provide a current organizational chart for the Company and, if applicable, its Parent, Multi-State Utility, or Affiliated Utility Service Company, showing for each officer (or any other key personnel) of the COMPANY, its Parent, Multi-state Utility, or Affiliated Utility Service Company: (a) the department(s) they head, and (b) to whom they report, from department or office level up. Only officers and key personnel, all or some portion of whose compensation is sought to be recovered from Tennessee ratepayers, must be included in the chart.

Response Staff 1-016:

Kingsport Power does not have an organization chart. Kingsports employees generally report up through the distribution organization. AEP has no employees. Attached as TRA Staff Informal 1-16 Attachment 1 is the AEPSC/Kingsport organization chart as of 10/29/2015. Please note that Kingsport Power may not receive charges from all the organizations listed on the chart.

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**Data Requests and Requests for the Production
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To Kingsport Power Company**

Data Request Staff 1-017:

Provide copies of the Annual Stockholder Reports, the 10K reports, and 10 Q reports for the Company, its Parent, Multi-state Utility, or Affiliated Utility Service Company, for the last three (3) years.

Response Staff 1-017:

See Staff Informal 1-17, Attachments 43 through 45, on the enclosed CD for the third quarter financial reports for American Electric Power Company, Inc. (AEP Inc.), Kingsport Power Company and American Electric Power Service Corporation. Quarterly and annual financial reports for American Electric Power Company, Inc. (AEP Inc.), Kingsport Power Company and American Electric Power Service Corporation for the period 2012 through the second quarter of 2015 were previously provided under a cover letter dated October 26, 2015 in Kingsport Power Company's Case 15-00093 as Attachments 1 through 42 to Staff Informal Request 1-17.

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**Data Requests and Requests for the Production
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To Kingsport Power Company**

Data Request Staff 1-018:

If the Company is a separate entity, provide a current chart of accounts for the Company and, if applicable, its Affiliated Utility Service Company. If the Company is an operating division, also provide a current chart of accounts for the Multi-state Utility.

Response Staff 1-018:

See Staff Informal 1-18, Attachment 1, on the enclosed CD for a current chart of accounts applicable to AEP, Inc., KGPCo and AEPSC.

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**Data Requests and Requests for the Production
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To Kingsport Power Company**

Data Request Staff 1-019:

Provide copies of all rate case orders for the Company, its Parent, Multi-State Utility, or Affiliated Utility Service Company issued since the Company's last rate case or within the past three (3) years, whichever time is shorter.

Response Staff 1-019:

The last base rate order for Kingsport Power was from a case in 1992. Copies of that order and filing were provided to the Staff and Consumer Advocate on October 1, 2015. Kingsport Power is not a multistate utility and its Parent (AEP) and affiliated utility service company have not had any rate case orders issued to them.

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**Data Requests and Requests for the Production
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To Kingsport Power Company**

Data Request Staff 1-020:

Provide a detailed General Ledger for the latest 24 months for the COMPANY, its Parent, Multi-State Utility, and Affiliated Utility Service Company.

Response Staff 1-020:

The General Ledgers for the twelve months of 2013 and 2014 were previously provided under a cover letter dated October 26, 2015 in Kingsport Power Company's Case 15-00093 in response to Staff Informal Request 1-20 . General Ledgers for the 9 months of 2015 through September for American Electric Power Company, Inc. (AEP INC), Kingsport Power (KGPCO CONSOLIDATED) and American Electric Power Service Corporation (AEP SERVICE CORP), respectively, are included on the enclosed CD as Staff Informal 1-20 Attachments 3, 6 and 9.

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**Data Requests and Requests for the Production
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To Kingsport Power Company**

Data Request Staff 1-021:

If the COMPANY, its Parent, Multi-State Utility, or Affiliated Utility Service Company, seeks to recover in its rates to the Tennessee ratepayers any separation payments made under any of the contracts, state the amount of any separation payments since the last rate filing in Tennessee.

Response Staff 1-021:

The Company interprets "separation payments" to mean severance payments. With this understanding, severance costs billed to Kingsport from the AEPSC in the 2014 test year and included as an expense in the distribution cost of service was \$8,465. There were no severance costs incurred in 2014 for Kingsport's employees.

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**Data Requests and Requests for the Production
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To Kingsport Power Company**

Data Request Staff 1-022:

Provide a detailed Trial Balance for the last two (2) fiscal years for the Company, its Parent, Multi-State Utility, and Affiliated Utility Service Company, by month, by account, including adjusting entries and post-closing balances.

Response Staff 1-022:

The available monthly pre-close Trial Balance reports for Kingsport Power Company are included on the enclosed CD as Staff Informal 1-22 Attachments 1 through 24. Attachments 1 through 12 are for 2013 with Attachments 13 through 24 for 2014.

Trial Balance reports for American Electric Power Company (AEP), Inc. and American Electric Power Service Corporation (AEPSC) are not available. However, refer to the Company's response to Staff 1-20 for the General Ledgers for AEP, Inc., Kingsport Power and AEPSC that show account activity including adjusting entries and post-closing balances.

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Data Requests and Requests for the Production
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Tennessee Regulatory Authority (First Set)
To Kingsport Power Company**

Data Request Staff 1-023:

If not provided in response to other items, provide the latest fiscal year-end Income Statement and Balance Sheet for the Company, its Parent, Multi-State Utility, and Affiliated Utility Service Company. Provide an explanation of any differences in the year-end Income Statement and Balance Sheet for the Company, its Parent, Multi-State Utility, and Affiliated Utility Service Company as set forth in its Annual Report to shareholders and its internal financial statements.

Response Staff 1-023:

Refer to Exhibits 1 and 2 of witness Allen's testimony for Kingsport Power's latest year-end Income Statement and Balance Sheet. The latest year-end Income Statements and Balance Sheets for AEP, Inc. and American Electric Power Service Corporation, respectively, are included on the enclosed CD as Staff 1-23, Attachments 1 through 4.

AEP, Inc.

Other than presentation differences, AEP Inc.'s Income Statement and Balance Sheet at the end of 2014 contained no differences between what was recorded in the General Ledger (used to prepare internal financial statements) and the Annual 10K Report provided in response to Staff 1-17.

Kingsport Power

Other than presentation differences, Kingsport Power's Income Statement and Balance Sheet, at the end of 2014 contained no differences between what was recorded in the General Ledger (used to prepare internal financial statements) and the Annual Report provided in response to Staff 1-17.

American Electric Power Service Corporation

Other than presentation differences, American Electric Power Service Corporation's Income Statement and Balance Sheet at the end of 2014 contained no differences between what was recorded in the General Ledger (used to prepare internal financial statements) and the Annual Report provided in response to Staff 1-17.

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**Data Requests and Requests for the Production
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To Kingsport Power Company**

Data Request Staff 1-024:

Provide all detailed workpapers, cost studies, or other data supporting all proposed tariff changes, adjustments to revenues, expenses, rate base, and other changes included in the testimony and exhibits filed by the Company. Provide computer files containing schedules for all computer-based calculations in their native format with working formulas.

Response Staff 1-024:

See the Staff Informal 1-24 Attachments on the enclosed CD. In addition, one file sought contains confidential information. The Company will provide the confidential file upon an order from the TRA approving the Company's Protective Order.

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**Data Requests and Requests for the Production
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Data Request Staff 1-025:

Provide a detailed list of all the Company's affiliated party transactions for the past two years, including the nature and amount of each transaction.

Response Staff 1-025:

Refer to the Company's response to TRA Staff 1-39 for a description of the types of services provided by American Electric Power Service Corporation (AEPSC) to the AEP operating companies such as Kingsport Power. See TRA Staff 1-25, Attachment 1, for the AEPSC charges to Kingsport Power for 2013 and 2014 by originating AEPSC department.

See TRA Staff 1-25, Attachments 2 and 3, for non-power goods or services provided by Kingsport Power to affiliated companies for 2013 and 2014, respectively. See TRA Staff 1-25, Attachments 4 and 5, for non-power goods or services provided to Kingsport Power from affiliated companies excluding AEPSC for 2013 and 2014, respectively.

Refer also to the Company's response to TRA Staff Informal 1-20, Attachments 4 and 5, for Kingsport Power's general ledger detail for 2013 and 2014, respectively, that shows Kingsport's purchases of power from Appalachian Power Company recorded in Account 5550027, Purchased Power-Affiliated.

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**Data Requests and Requests for the Production
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To Kingsport Power Company**

Data Request Staff 1-026:

Provide a list of outside professional services provided to the Company for the past two (2) years, showing the nature of each service and the total charge for each service.

Response Staff 1-026:

A list of outside services is included on the enclosed CD as Staff Informal 1-26 Attachment 1.

**TENNESSEE REGULATORY AUTHORITY
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**Data Requests and Requests for the Production
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To Kingsport Power Company**

Data Request Staff 1-027:

Identify the Company's twenty-five (25) largest customers, based on kilowatt-hours (kWh), for the latest fiscal year. If the Company projects a material change in the volumes delivered or rates charged to any such customer, provide a mailing address, contact person, telephone number, and the following information for each customer:

- a. Kilowatt-hours by tariff and by month for the last three (3) fiscal years for each customer, including step information for appropriate classification.
- b. Copies of all correspondence and notes of discussion or meetings with these customers regarding their anticipated usage from the test period through the attrition period.

Response Staff 1-027:

The question seeks confidential information. The Company will provide the response upon an order from the TRA approving the Company's Protective Order.

**TENNESSEE REGULATORY AUTHORITY
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**Data Requests and Requests for the Production
of Documents by the Staff of the
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To Kingsport Power Company**

Data Request Staff 1-028:

Provide the number of the Company's customers by rate classification and by month for the last three (3) fiscal years. Provide a summary schedule showing the number of days in each billing cycle for each month for the latest 18 months. Provide computer files for this information.

Response Staff 1-028:

Please see TRA Staff Informal 1-28, Attachment 1 on the attached CD for the number of the Company's customers by rate/tariff classification, by month for 2012-2015.

Please see TRA Staff Informal 1-28, Attachment 2 on the attached CD for a summary schedule showing the billing cycles for each month for 2014 and 2015.

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**Data Requests and Requests for the Production
of Documents by the Staff of the
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To Kingsport Power Company**

Data Request Staff 1-029:

Provide a list of the Company's customers who have changed rate classes in the test period. Show the schedule movement and any adjustments you have made to the bills and usage for the attrition period. Provide the number of net additions by customer classification and by month for the latest 24 months.

Response Staff 1-029:

The question seeks confidential information. The Company will provide the response upon an order from the TRA approving the Company's Protective Order.

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**Data Requests and Requests for the Production
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To Kingsport Power Company**

Data Request Staff 1-030:

Provide the number of the Company's billing cycles per month and the identity of any specific groups of customers billed on a particular cycle.

Response Staff 1-030:

Please refer in response to TRA Staff Informal Data Request No. 1-28 for the Company's billing cycles per month.

The meter readings by cycle are broken down geographically and not by any specific groups of customers. The only exceptions are cycles 30-33. Those are for contractual customers for month end.

Cycle 30 - last working day of the month

Cycle 31 - last calendar day of the month

Cycle 32 - first calendar day of the month

Cycle 33 - first working day of the month

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**Data Requests and Requests for the Production
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To Kingsport Power Company**

Data Request Staff 1-031:

Provide a copy of all weather normalization workpapers used in projecting attrition period revenues. Provide weather normalized (if applicable) sales volumes in kilowatt-hours, by class of customer and supporting documentation for the test period. Provide computer files for this information.

Response Staff 1-031:

Weather normalization work papers were provided in response to TRA Staff Informal Data Request No. 1-024 in the file titled "Staff Informal 1-24 - DRB & TAC - Attachment 1 - KgPCo Weather Impacts & Billing Determinants.xls.

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**Data Requests and Requests for the Production
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To Kingsport Power Company**

Data Request Staff 1-032:

Provide a copy of any usage and growth trends and any adjustments used to project revenues.

Response Staff 1-032:

Refer to TRA Staff Informal Data Request No. 1-24, detailed work papers excel file titled "Staff Informal 1-24 TAC - Attachment 1 - KgPCo Tariff Ratio File.xlsx" for the requested information.

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**Data Requests and Requests for the Production
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To Kingsport Power Company**

Data Request Staff 1-033:

Provide a breakdown by source of all revenues shown as "Other Operating Revenues" for the test period and attrition period. Include the units and rates for each source.

Response Staff 1-033:

Refer to page 1 of Exhibit No. 1 of witness Allen's testimony for a breakdown of the test period other operating revenues totaling \$5,861,589 by sub-account. Refer also to page 5 of Exhibit No. 2-a of witness Buck's testimony for a breakdown of the rate year other operating revenues totaling \$1,805,660 included in the cost of service after adjustments and assignments.

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**Data Requests and Requests for the Production
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Tennessee Regulatory Authority (First Set)
To Kingsport Power Company**

Data Request Staff 1-034:

Explain any large variances in Other Revenues between the test period and the attrition period.

Response Staff 1-034:

See the Company's response to Staff 1-33. Also, see the workpapers provided in the Company's response to Staff 1-24 for adjustments OR-6 and OR-7, which impacted other operating revenues.

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Data Request Staff 1-035:

List all special contract customers and their usage by month during the test period. Explain any anticipated changes in usage during the attrition period.

Response Staff 1-035:

The question seeks confidential information. The Company will provide the response upon an order from the TRA approving the Company's Protective Order.

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Data Request Staff 1-036:

Provide detailed schedules explaining the calculation of the growth factor(s) used to project expenses through the attrition year. Please break down the calculation between the inflation and customer growth components.

Response Staff 1-036:

The Company did not use growth or inflation factors to project expenses through the rate (attrition) year. As explained in the testimony of Company witness Buck, fuel and purchased power expenses were calculated using normalized weather and year-end customer counts. As explained in the testimony of Company witness Allen, payroll expense was calculated annualizing test year-end salaries and applying approved 2015 merit increases and expected 2016 merit increases.

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Data Request Staff 1-037:

Provide a schedule(s) of employees for the test period, identifying them as hourly or salaried, part or full time, and the account to which their compensation is charged. Identify the regular, overtime, and total hours worked during the test period. Also, show the regular and total earnings during the test period. For those employees working only a partial year, give the dates of employment. Identify pay raises, month and percentage, from the test period through the attrition year. Where appropriate, show the allocation of compensation for such employees or appropriate employee group between states and between utility and non-utility operations. Also, indicate any anticipated changes in employment levels through the attrition period.

Response Staff 1-037:

The question partially seeks confidential information. The Company will provide the confidential response upon an order from the TRA approving the Company's Protective Order.

See also TRA Staff 1-37, Attachment 2, for Kingsport Power's FERC Form No. 1 pages for the 2014 test period that show the distribution of the Company's salaries and wages to operation and maintenance expenses, construction, retirements and other accounts. Employee compensation is charged to various accounts depending on the nature of the work involved. The Company does not have non-utility operations, so no employees' wages and salaries are allocated to non-utility operations.

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Data Request Staff 1-038:

Provide a schedule showing by month, for the last two (2) fiscal years through the test period, identifying the amount and percentage of total payroll capitalized on a total Company and Tennessee only basis. Provide a detailed calculation of the percentage used to capitalize payroll for the attrition period.

Response Staff 1-038:

Kingsport Power Company is a Tennessee only investor-owned electric utility. The following wages capitalized were calculated based on FERC Form 1 pages 354 and 355:

Kingsport Power Company Amount and Percent of Wages Capitalized				
	Year Ending December 2013		Year Ending December 2014	
	Total Capital	Percentage Capital	Total Capital	Percentage Capital
January	137,306.86	52.71%	152,700.06	51.12%
February	196,308.42	48.58%	186,719.14	49.17%
March	203,287.95	91.88%	221,319.19	53.20%
April	184,391.51	62.73%	212,161.00	57.27%
May	313,553.65	61.15%	249,056.25	47.59%
June	215,345.78	60.57%	187,116.22	50.38%
July	210,844.49	59.88%	193,165.16	50.99%
August	231,377.18	56.70%	187,712.66	49.02%
September	223,273.87	60.51%	169,736.75	53.46%
October	268,433.45	58.44%	243,550.16	48.81%
November	332,897.96	52.27%	182,510.28	54.45%
December	187,832.47	43.08%	249,564.14	62.32%
	<u>2,704,853.58</u>	57.43%	<u>2,435,311.00</u>	52.11%

The payroll capitalization percentages for the 2014 test year were calculated from the FERC Form 1 page 355. "TOTAL Construction (Total of lined 68 thru 70)" (line 71), \$1,983,671, and "TOTAL Plant Removal (Total of lines 73 thru 75)" (line 76), \$451,640, equal \$2,435,311, and this amount is divided by "TOTAL SALARIES AND WAGES" (line 96 column) of \$4,673,637. This results in 52% being capitalized and this percentage was used in the Company's payroll adjustments to the test period.

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Data Request Staff 1-039:

Provide a description of each type of service that employees of the Parent, Multi-state Utility, or Affiliated Utility Service Company perform for the Tennessee operations.

Response Staff 1-039:

AEPSC is a wholly-owned subsidiary of AEP and is the centralized service company for the AEP System. AEPSC provides services primarily to AEP's utility operating companies (utility affiliates), including Kingsport Power Company, under Service Agreements with AEPSC. AEPSC performs, at cost, various services for Kingsport Power Company and the other affiliates. Please refer to Staff Informal 1-39 Attachment 1 for a listing of the services AEPSC performs for Kingsport Power Company and the other affiliates.

AEP Inc. has no employees.

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Data Request Staff 1-040:

Provide copies of the latest labor union contracts for the Company.

Response Staff 1-040:

The question seeks confidential information. The Company will provide the response upon an order from the TRA approving the Company's Protective Order.

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Data Request Staff 1-041:

For the test period and attrition period, provide detailed workpapers supporting the calculation of the life insurance expense, long-term disability, hospitalization and medical expenses, and other miscellaneous employee insurance expenses. Show the total and capitalized amounts. Provide actual rates for the benefits that the Company pays. Provide the amounts that the employee contributes for these benefits.

Response Staff 1-041:

Supporting calculations for the group insurance expenses for the test year and rate year are included in the adjustment workpapers provided in the Company's response to Staff 1-24 AWA Attachments 7, 8, 9 and 10 for life insurance, medical insurance, long-term disability insurance and dental insurance, respectively.

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Data Request Staff 1-042:

Provide a liability and property insurance schedule for the test period, identifying the policies in effect, the type of coverage, the coverage period, the annual premiums, the amount included as an expense, the account charged, the beneficiaries and the allocation used. Also, provide the same information for those policies currently in effect and any anticipated changes in policies through the attrition period. Where applicable, provide the name of the insurance company with a contact person and telephone number.

Response Staff 1-042:

Please see TRA Staff Informal 1-42 Attachment 1 for all property and liability insurance policies and related information in place during the Test Period (2014 calendar year), Current year (2015 Calendar Year) and Attrition period (2016 Calendar year).

Please see TRA Staff Informal 1-42 Attachment 2 for an executive summary of the allocation methods.

The beneficiary for all insurance policies is as declared as the named insured on the policies:

American Electric Power Company, Inc., Indiana Michigan Power Company, American Electric Power Service Corporation for itself and as agent for any corporations, subsidiaries, firms or individuals now in being or hereafter acquired, organized or controlled (hereinafter referred to as the Insured). Corporations, associations or other entities acquired after the effective date of this policy are automatically included hereunder.

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Data Request Staff 1-043:

Provide the latest actuarial studies for pension expense and liabilities (FAS 87) and post employment benefits other than pensions (FAS 106).

Response Staff 1-043:

Supporting calculations, including pages from the actuarial study reports from Towers Watson related to Kingsport are included as Staff Informal 1-24 AWA Attachment 6 for pension expense, and Staff Informal 1-24 AWA Attachment 5 for other post employment benefits other than pensions. Attached as Staff Informal 1-43 Attachments 1 and 2 are the complete actuarial studies for pensions and post employment benefits other than pensions, respectively.

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Data Request Staff 1-044:

Does the Company have a written policy regarding stock options or non-base pay compensation (i.e., incentives, bonuses, etc.)? If so, please provide a copy of this policy. Were any amounts paid or accrued during the test period? If so, please provide a schedule of employees, showing the amount paid or accrued, the basis of the calculation, and the account charged for the payment or accrual. Provide the same information for the attrition period.

Response Staff 1-044:

The Company's total employee compensation package is market competitive and does not pay bonuses. The employees' annual total compensation package does include a variable element which is dependent on the achievement of incentive goals and targets. See TRA Staff Informal 1-44, Attachment 1, for a copy of the Company's annual incentive compensation plan.

Please see the Company's response to TRA Staff Informal 1-37, Confidential Attachment 1, for employee base, incentive and total compensation paid during the test period and for attrition year information. See also the workpapers provided in TRA Staff Informal 1-24 AWA Attachment 11 for the test period incentive compensation plan (ICP) costs incurred for Kingsport employees and the target 2015 level of ICP costs used to calculate a reduction to ICP expenses in Adjustment OM-26. These workpapers also show the test period ICP costs charged to distribution and administrative and general expense accounts.

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Data Request Staff 1-045:

Provide a detailed analysis of advertising expense for the test period. Provide and discuss the Company's projected advertising expenses from the end of the test period through the attrition period. For each month, identify the amount of advertising classified as follows:

- a. Institutional
- b. Conservation
- c. Informational
- d. Promotional
- e. Promotional for the sale of nonregulated goods or services

Response Staff 1-045:

Test period advertising expenses consisted solely of informational advertising:

- 1. telephone listing: \$1456
- 2. publication in local magazine: \$1295

The Company expects to spend a similar amount in the attrition year.

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Data Request Staff 1-046:

Provide a copy of the Company's Cost Allocation Study and support for any proposed changes in rate design.

Response Staff 1-046:

KgPCo's cost allocation studies are contained in the testimony and exhibits of Company Witness Buck. An electronic version of the cost allocation study is included in the response to Staff Informal Data Request 1-024 in the file titled "Staff Informal 1-24 KgPCo BC-COS Rev Alloc - 2015 - DRB Exhib 1-5 - FINAL.xlsm". KgPCo's rate design work papers were provided in response to Staff Informal Data Request 1-024 in the file titled "Staff Informal 1-24 - TAC - Attachment 3 - KgPCo Rate Design.xlsx".

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Data Request Staff 1-047:

Provide the amount of direct and allocated charges to the Company from its Parent, Multi-State Utility, or Affiliated Utility Service Company, by account, for each month of the test period and the projected amount for each month of the attrition period.

Response Staff 1-047:

Please see Staff 1-47 Attachment 1 on the enclosed CD for the 2014 AEPSC billings to Kingsport Power Company by FERC account, month, and direct or allocated. Please refer to the testimony of witness Allen for the adjustments made for the rate year level.

There were no direct or allocated charges from American Electric Power Company, Inc. to Kingsport Power Company in 2014 nor projected for the rate year.

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Data Request Staff 1-048:

Provide the amount of each lobbying expense, charitable contribution, social club membership and athletic event paid by its Parent, Multi-State Utility, or Affiliated Utility Service Company and allocated to the Company for each month of the test period and included in costs to be recovered in regulated rates. Provide the same information and breakdown for any amounts paid directly by the Company and included in costs to be recovered in regulated rates. Identify the accounts charged for each amount.

Response Staff 1-048:

A list of each charitable contribution paid by American Electric Power Company, Inc., Kingsport Power, or American Electric Power Service Corporation and allocated to Kingsport Power in account 426.1, is included on the enclosed CD as Staff Informal 1-48 Attachment 1. There were no lobbying expenses, social club memberships and athletic events included in cost of service.

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Data Request Staff 1-049:

Provide a detailed itemization of the rate case costs by law firm and rate case consultant.

Response Staff 1-049:

The estimated rate case costs by law firm and rate case consultant are as follows:

Outside law firm: \$59,581.50

Rate case consultant: \$16,000.00

This information can be found in the workpaper provided in response to Staff Informal Request 1-24 by witness Allen for Income Statement Adjustment OM-10.

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Data Request Staff 1-050:

Provide copies of the following tax returns (state and federal) for the most recent three (3) tax years:

- a. Tennessee Gross Receipts Tax Returns
- b. Tennessee Franchise and Excise Tax Returns
- c. Property tax statement Tennessee Ad Valorem Tax Report
- d. Employer's Quarterly Federal Tax Returns (Form 941)
- e. Employer's Annual Federal Unemployment Tax Return (Form 940)
- f. Employer's Quarterly Contribution Report to the Tennessee Department of Employment Security

Response Staff 1-050:

The question seeks confidential information. The Company will provide the response upon an order from the TRA approving the Company's Protective Order.

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Data Request Staff 1-051:

Provide the following Federal Income Tax data for the Tennessee Operations for the test year and the attrition year:

- a. The calculation of the Company's federal income tax expense. The calculated amount should reconcile to the amount reported on the Tennessee TRA 3.05 surveillance reports
- b. A detailed calculation of the permanent book and tax differences
- c. A detailed calculation of the temporary book and tax differences
- d. Operating federal income taxes deferred – accelerated depreciation
- e. Federal income taxes – operating
- f. Income credits resulting from prior deferrals of federal income taxes

Response Staff 1-051:

- a. See Staff Informal 1-51 Attachment 1 on the enclosed CD.
- b. Almost all of the Permanent and Temporary Book / Tax Difference Schedule M information is extracted from the Kingsport Functional General Ledgers or supporting systems on a monthly basis and automatically entered into the Tax Provision System for purposes of calculating the state and federal income tax expenses. The information contained in the attached excel spreadsheet was pulled from the Tax Provision System.
- c. See response to b. above.
- d. See Staff Informal 1-51 Attachment 1 on the enclosed CD.
- e. See Staff Informal 1-51 Attachment 1 on the enclosed CD.
- f. See Staff Informal 1-51 Attachment 1 on the enclosed CD.

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Data Request Staff 1-052:

Provide a reconciliation of book to taxable income and a calculation of the federal income tax expense on a total Company and Tennessee only basis for the test period and for the attrition period.

Response Staff 1-052:

See the excel spreadsheet provided in the Response to Question No. 1-051.

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Data Request Staff 1-053:

Provide the unemployment tax rate presently being paid, broken down into state and federal rates, and any anticipated change in the state unemployment rate.

Response Staff 1-053:

The Federal unemployment rate is 0.6% and there is a proposal to increase the rate by 0.2% for 2016 only, but we have no confirmation of the proposed increase and an adjustment was not made to the rate year. The Tennessee unemployment rate just changed for Kingsport on July 1, 2015. It is now 0.17%. We do not anticipate another rate change for the Tennessee unemployment rate before July of 2016.

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Data Request Staff 1-054:

Provide monthly plant additions and retirements by account number for the last three (3) fiscal years to include the test period. Please break down plant additions into normal or special projects, as defined below:

- a. Normal construction requirements should be considered to include the needs created through normal system expansion, such as serving residential areas, shopping areas, old home conversions, replacements of tools and work equipment, transportation equipment, etc.
- b. Special construction requirements should be considered to arise from extensive replacement of old facilities which cannot be foreseen, major expansion projects such as industrial parks, system improvements such as change from low pressure to high pressure required because of changing delivery patterns, and changes required by government action such as street improvement and relocation, community and neighborhood development, bridge replacement, etc. These requirements should be considered to be outside the control of the COMPANY.
- c. For the last three (3) fiscal years, identify any contributions in aid of construction.

Response Staff 1-054:

Please see Kingsport TRA Staff Informal 1-54, Attachment 1.

- a. & b.) Kingsport does not maintain detail which distinguishes between normal or special construction requirements. Kingsport follows the FERC Uniform System of Accounts (USA) which does not require Kingsport to keep its accounting records as designated in the request.
- c.) Please see Kingsport TRA Staff Informal 1-54(c), Attachment 1.

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Data Request Staff 1-055:

Break down budgeted plant additions between normal and special projects, using the criteria defined above, for the months between the end of the last fiscal year and the end of the attrition period. Provide sufficient detail of each individual project as to the date of inception and completion, and the proposed methods of financing. Identify those budgeted plant additions that are in process or have already been completed. Basic assumptions underlying budgets should also be submitted including the assumptions for sales volumes.

Response Staff 1-055:

Refer to TRA Staff Informal 1-55_Attachment 1 for the plant additions in process or planned for the 1/1/2015 through 12/31/2016 period.

Kingsport does not maintain detail which distinguishes between normal or special construction requirements. Kingsport follows the FERC Uniform System of Accounts (USA) which does not require Kingsport to keep its accounting records as designated in the request. The projects will be financed at the Company's Weighted Average Cost of Capital (WACC).

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Data Request Staff 1-056:

Identify all special projects from the end of the test period through the attrition period, using the criteria defined in Item 64 above, by work order number and include the estimated cost. Provide a signed authorization for each special project and identify the planned starting and completion dates.

Response Staff 1-056:

The Company assumes that the reference to Item 64 is intended to be a reference to Item 54. Therefore, as indicated in TRA Staff 1-54, Kingsport does not maintain detail which distinguishes between normal or special construction requirements. Kingsport follows the FERC Uniform System of Accounts (USofA) which does not require Kingsport to keep its accounting records as designated in the request. See TRA Staff 1-55 for a list of distribution capital projects for the period 1/1/2015 through 12/31/2016.

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Data Request Staff 1-057:

Identify by account the salvage and cost of removal for retirements provided in response to Item 64 for the last four (4) fiscal years to include the test period.

Response Staff 1-057:

The Company assumes that the reference to Item 64 is intended to be a reference to Item 54. Please see Kingsport TRA Staff Informal 1-57, Attachment 1.

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Data Request Staff 1-058:

Describe the Company's budgeting process including, but not limited to the following:

- a. How far in advance are operating and construction budgets prepared? On what basis is the total operation and construction budget determined? Explain the "approval process" in budget development.
- b. How many views or updates of the same budget year are made before a final view is adopted?
- c. Are budgets prepared on a monthly, quarterly, or annual basis?
- d. Which individual or department has overall responsibility for budgets/reconciliations?
- e. Once a final budget has been adopted, are budget to actual (reconciliation) comparisons routinely made? How frequently are reconciliations prepared and by whom?
- f. For the last two (2) completed fiscal years, provide copies of all budgets, budget to actual and indicate reasons for the variances.
- g. Comparisons on a total Company and Tennessee only basis.
- h. Provide total Company and Tennessee only budgets and all supporting workpapers for the current fiscal year and next fiscal year.

Response Staff 1-058:

- a. Kingsport Power Company's O&M and capital budget for each calendar year is generally completed during the fourth quarter of the previous year.

The basis of Kingsport Power Company's O&M and capital budget is the current work plan developed by various engineering and planning groups both at the Company and the AEP Service Corporation. These plans take into consideration staffing levels, budgeted increases in salaries and materials costs necessary to perform each planned program or project.

Five primary governing bodies are involved in AEP's overall planning, budgeting and cost control processes; they participate in a series of governance forums that occur periodically throughout the year. These bodies are:

- AEP Board of Directors: The Board reviews strategic issues, control budgets, major variances and year-end re-projections through eight annual meetings.
- Executive Team (ET): An ET participates in Board meetings, monthly earnings meetings and other ad-hoc meetings as necessary; the ET is made up of the AEP Chief Executive Officer (CEO), Chief Operating Officer (COO), Chief Financial Officer (CFO), Chief Administrative Officer (CAO), and the Executive Vice President of Legal.
- Executive Council (EC): This group participates in Board meetings as necessary as well as monthly earnings meetings; the EC includes the ET as well as executive vice presidents of transmission and generation, operating company presidents, and the senior vice president of regulatory services.

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Response Staff 1-058 (continued):

Investment Review Committee (IRC): The IRC meets with the corporate groups (e.g., IT, C&DS, Transmission, Generation) and the operating companies to review and approve their short term budgets and long term plans. Typically the corporate group meetings are held in the spring (prior to the detail budget cycle) and the operating company meetings are held in the fall (after the detail budget cycle is complete and the financial post-allocated forecast is available for review). Its members include the COO, CFO, Operating Company presidents, Sr. BU management and the SVP of Corporate Planning and Budgeting (CP&B). The corporate group executives and Operating Company presidents lead their meetings and discuss budgets/forecasts and prioritization of spend. The operating companies review their direct spend as well as the impact of AEPSC allocations on their budgets. The IRC may reallocate spend among the operating companies as needed to meet operational and strategic needs. Follow-up IRC meetings and discussions may also be held as needed.

· Subsidiary Company Boards: each AEP subsidiary company has its own Board that meets monthly to approve capital/lease improvement requisitions and monitor budget variances; the boards include company presidents and other AEP senior executives.

Through the bodies above, AEP's governance structure includes participation from the most senior levels as well as from functional groups across both the operating companies and the service company. In addition to these overall governance bodies, several functional governance bodies review capital investment projects for their functional groups (e.g., the Project Management Review Board – PMRB – for Transmission and various functional IT governance operating committees (ITOC's) for Information Technology.

Operating companies have representation across the bodies, allowing them to provide input into planning, budgeting and cost control for both O&M and capital at various stages throughout the year. For instance, all operating company presidents attend the EC meetings; participate in IRC meetings and in quarterly mechanisms such as the Quarterly Presidents Meetings; and participate in various monthly mechanisms such as the Monthly Earnings meetings and Monthly Performance Review (MPR) meetings to discuss budget / actual variances and to review earnings results and re-projections.

b. Generally, two versions of the forecast for the year ahead are produced, a preliminary view and a final view, referred to as the control budget. The preliminary version is produced from the forecast completed in the prior year. The preliminary version is used as a basis for discussion throughout the budget approval process. The control budget includes changes in the timing, level and allocation of spending among the functions of the Company. The control budget is not subject to change once the budget year begins.

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Response Staff 1-058 (continued):

- c. The budget is prepared on an annual basis.
- d. Kingsport Power Company personnel maintain control over O&M and capital spending. AEP's Corporate Planning & Budgeting department performs comparisons between actual and budgeted O&M and capital expenditures.
- e. Comparisons between actual and budgeted O&M and capital expenditures are completed monthly .
- f. See Kingsport TRA Staff Informal 1-58, Attachment 1 and Kingsport TRA Staff Informal 1-58, Attachment 2.
- g. Kingsport Power Company's operations are 100% in Tennessee.
- h. See Kingsport TRA Staff Informal 1-58, Attachment 1.

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Data Request Staff 1-059:

Provide schedules showing the development of the average Tennessee account balances listed below for the last fiscal year. (If partially provided in other items, provide the remaining data here.)

- a. Plant in Service
- b. Construction Work in Progress
- c. Inventories
- d. Deferred debits
- e. Reserves
- f. Customer Deposits
- g. Interest on Customer Deposits
- h. Contributions in Aid of Construction
- i. Accumulated Deferred FIT
- j. Accumulated Depreciation
- k. Accounts Payable applicable to CWIP
- l. Accounts Payable applicable to Materials & Supplies
- m. Customer Advances
- n. Materials and Supplies
- o. Accounts Receivable – Other
- p. Prepaids

Response Staff 1-059:

Refer to Exhibit No. 2-a of witness Buck's testimony for the total company per books end of the test year rate base balances included in Kingsport's jurisdictional cost of service study for the above listed items as applicable. The Company did not use average rate base balances in developing its cost of service. Refer also to Exhibit No. 2 of witness Allen's testimony for Kingsport's comparative balance sheet by account as of December 31, 2013 and 2014.

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Data Request Staff 1-060:

Provide an explanation and calculation of the method used to allocate to Tennessee any portions included in Item 69 above.

Response Staff 1-060:

The methods used, and allocators applied, in determining the cost to serve the various KgPCo customer classes are discussed in the testimony of Company Witness Buck. In addition, Exhibits Nos. 2-a and 3-a (DRB) identify the allocator applied to the various line items included in the cost study.

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Data Request Staff 1-061:

Has the Company updated the Lead-Lag Study since its last rate case? If so:

- a. Provide a copy of the Lead-Lag Study workpapers.
- b. Provide the percentage of the sample tested to the total test period dollar amount for each account in the Lead-Lag Study.
- c. Provide a comparison of the Lead-Lag Study used in this case with the Study used in the previous case and explain any major changes.

Response Staff 1-061:

No.

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Data Request Staff 1-062:

Provide a description of the policy of the Company, its Parent, Multi-State Utility, or Affiliated Utility Service Company, with respect to maintaining minimum cash balances. Provide copies of supporting management directives or minutes from directors' meetings supporting such policies.

Response Staff 1-062:

Per Liquidity Policy, approved on July 21, 2015:

The Treasurer will determine a targeted minimum cash reserve. The minimum cash reserve will not be set below \$100 million. A Manager, Director or Managing Director in Treasury is responsible for the enforcement of the established targeted minimum cash reserve.

For the relevant portion of the minutes approving the policy, see Staff Informal 1-62 Attachment 1.

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Data Request Staff 1-063:

Explain the nature and extent of each of the Company's or, where applicable, Multi-state Utility's non-regulated operations.

Response Staff 1-063:

Kingsport Power has no non-regulated operations.

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Data Request Staff 1-064:

Provide an Income Statement and identify assets devoted to and liabilities specifically arising from non-regulated operations of the Company, its Parent, Multi-State Utility, or Affiliated Utility Service Company, for the last two (2) fiscal years. For each year, identify each class of non-regulated revenue separately. The statements should include the following information for each year:

- a. The direct expense incurred by the Company for each operation.
- b. The general office expense allocated to each operation by the Company, its Parent, Multi-State Utility, or Affiliated Utility Service Company
- c. All expenses charged to the Company, its Parent, Multi-State Utility, or Affiliated Utility Service Company, from the non-regulated activities.
- d. All revenues billed by the Company's regulated operations to the non-regulated operations.

Response Staff 1-064:

Kingsport Power has no non-regulated operations and is not allocated expenses from any non-regulated activities from its parent or affiliates.

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Data Request Staff 1-065:

Provide a complete explanation and calculation of how costs (other than salaries and wages) as requested above were allocated to non-utility operations for the test period and for the period from the end of the test period through the attrition period.

Response Staff 1-065:

Kingsport Power has no non-regulated operations.

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Data Request Staff 1-066:

Provide the percentage of non-regulated labor for the test period.

Response Staff 1-066:

Zero percent.

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Data Request Staff 1-067:

Provide a copy of any information filed with other Regulatory Commissions that describes the cost of capital of the Company and its Parent, Multi-State Utility, or Affiliated Utility Service Company. Provide all filings submitted in the last twelve (12) months and also on a forward-going basis.

Response Staff 1-067:

Kingsport, along with AEP's other operating companies, made a filing with FERC for its short-term debt authority in July. The Kingsport exhibit and filing are included as Staff Informal 1-67 Attachment 1.

In addition, Kingsport and other AEP companies make annual transmission formula rate update filings with FERC. Attached as Staff Informal 1-67 Attachment 2 is the latest update filed in 2015.

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Data Request Staff 1-068:

Provide electronically the Company's and its Parent's, Multi-State Utility's, or Affiliated Utility Service Company's, long and short-term debt, preferred stock and equity capital balances for the last three (3) years. Provide a calculation of the Company's and its Parent's, Multi-State Utility's, or Affiliated Utility Service Company's capital structure based upon the information.

Response Staff 1-068:

See Staff Informal 1-68 Attachment 1 for the requested information.

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Data Request Staff 1-069:

Provide electronically, a schedule for latest three (3) fiscal years, showing amount, interest rates, and issuance expense for short-term and long-term debt identified in response to the item above.

Response Staff 1-069:

Kingsport's long-term and short-term debt do not have issuance expense due to its source of funding being its parent, AEP. See Staff Informal 1-69 Attachment 1 for amounts and interest rates for the last three fiscal years.

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Data Request Staff 1-070:

Provide a calculation of the average composite interest cost for the long-term debt and short-term debt for the last three (3) years.

Response Staff 1-070:

For long-term debt, the average composite interest rate has been 4.52% for all three years (as there is only one LTD issuance outstanding over this period). For short-term debt, please see Staff Informal 1-70 Attachments 1-3.

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Data Request Staff 1-071:

Provide the number of stockholders of record for the Company for the last five (5) fiscal years. Indicate whether the Company's Parent, Multi-State Utility, or Affiliated Utility Service Company is publicly traded. If not, provide the number of stockholders of record for the last five (5) fiscal years.

Response Staff 1-071:

AEP is the only stockholder for Kingsport and has been for the entire time period requested. AEP is publically traded. AEP Service Corporation is not publically traded, but AEP is the only stockholder for this entity and has been for the entire period.

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Data Request Staff 1-072:

Provide a schedule identifying the following for the Company, its Parent, Multi-State Utility, or Affiliated Utility Service Company, for the last three (3) fiscal years and adjusted for any stock splits. Include any dividends paid by the Company to its Parent, Multi-State Utility, or Affiliated Utility Service Company.

- a. Primary earnings per share
- b. Fully diluted earnings per share
- c. Dividends per share
- d. Book value per share
- e. High market price for each year
- f. Low market price for each year
- g. Average market price for each year

Response Staff 1-072:

Please see Staff Informal 1-72 Attachment 1. The requested information is not tracked for AEP Service Corporation as it is not publicly traded and doesn't pay dividends.

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Data Request Staff 1-073:

Provide a schedule identifying the date and amount of each common stock dividend paid during the last three (3) fiscal years. Include any announced future dividend payments and adjust for any stock splits.

Response Staff 1-073:

Kingsport paid \$2,000,000 in dividends to AEP in each of 2012 and 2013. In 2014, Kingsport paid \$400,000 in dividends to AEP. In 2015, Kingsport has paid \$75,000 to AEP to date. No future dividend has been announced.

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Data Request Staff 1-074:

Provide a list of the Company's projected new stock and debt issues for the next three (3) fiscal years.

Response Staff 1-074:

The Company has no projected stock issuance over the next 3 years. The Company plans to issue \$20 million in long-term debt, as described in Witness Bourke's testimony, pending regulatory approvals. FERC approval requires additional revenue in order to meet the FERC's interest coverage minimum for Long-Term Debt authority, so any issuance will be delayed until after the outcome of this rate proceeding.

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Data Request Staff 1-075:

Provide for the past three (3) years 10K and 10Q SEC filings for the Company and its Parent, Multi-State Utility, or Affiliated Utility Service Company.

Response Staff 1-075:

Please see the response to question 1-017.

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Data Request Staff 1-076:

Provide Federal Reserve Board publication "Selected Interest Rates (Daily) - H.15" for the date of the filing of the rate case.

Response Staff 1-076:

The Selected Interest Rates (Daily) - H. 15 release for the date that includes the filing date can be found at <http://www.federalreserve.gov/releases/h15/>. A copy is included as Staff Informal 1-076 Attachment 1.