

TENNESSEE REGULATORY AUTHORITY



502 Deaderick Street, 4th Floor
Nashville, Tennessee 37243

VIA FAX AND US MAIL

April 26, 2016

William C. Bovender
Hunter, Smith, & Davis, LLP
1212 North Eastman Road
P.O. Box 3740
Kingsport, TN 37664

RE: Docket No. 16-00033 – *Petition of Kingsport Power Company d/b/a AEP
Appalachian Power for Approval of Franchise Agreement With the City of
Kingsport, Tennessee.*

Dear Mr. Bovender:

In order to assist the TRA in its investigation in the above captioned docket, it is requested that you furnish the following information.

Please provide the information requested on the attached Staff Data Request No. 1. Please pay particular attention to the directions provided in the first section labeled "Administrative." If you have questions regarding any item number in the attached request, please contact Tiffany Underwood (615-770-6893) for clarification before responding.

Thank you for your attention to this matter. Please provide all responses by May 3, 2016 and reference Docket No 16-00033 on the response.

Sincerely,

A handwritten signature in black ink, appearing to read "D. M. Foster".

David Foster
Chief
Utilities Division

Enclosure

TRA DATA REQUEST NO. 1

ADMINISTRATIVE

⇒The Tennessee Regulatory Authority (“TRA”) requires an original and thirteen (13) copies of the filing or (an original and four (4) copies accompanied by an electronic filing).

⇒All schedules that are requested as an electronic file are to be provided in Microsoft Excel (with working formulas) or Microsoft Word readable format.

1. The Petition states that both Kingsport Power and the City were able to agree on the terms and conditions of a renewed franchise, but the two franchise agreements are signed solely by the City. Further, according to page 3 of City Ordinance No. 6541 the Company’s written acceptance is to be provided within 60 days of approval by the TRA. Please provide a signed copy of City Ordinance Nos. 6541 and 6556 that have been signed by Kingsport Power Company.
2. On pages 6-7 of City Ordinance No. 6541 in paragraph (J), there is a term regarding construction and repair. The term states that the City Manager will issue a notice to the Company of his findings and instructions and, if after three days of receipt of such notice, the Company had not commenced to execute the work the City manager will cause the construction required in said notice to be performed and charge the Company the entire cost and expense plus ten percent of the construction. Please state whether Kingsport will seek to recover these construction and repair charges and the 10% penalty from its ratepayers.
3. On page 7 of City Ordinance No. 6541 in paragraph (k), there is a term regarding restoration and repair. The term states that if the Company fails to timely perform restoration and repair within a reasonable time, the City manager may issue notice to the Company of his findings and instructions and, if after three (3) days the Company has not commenced the restoration and/or repair, the City Manager will cause the work required in said notice to be done and performed and charge the Company the entire cost and expense of restoration or repair plus ten percent. Please state whether Kingsport will seek to recover these restoration and repair charges and the 10% penalty from its ratepayers.

4. According to page 8 of City Ordinance No. 6541, the City shall have the right without cost to use all poles and suitable overhead structures owned by the Company within Public Ways for City wires used in connection with its governmental purposes. Please state why the City should not pay for the use of pole attachments and the use of other overhead Company structures, and explain whether the City will be given preference over other service providers (e.g., telephone or cable utilities) for obtaining access to company poles and structures.
5. According to page 9 of City Ordinance No. 6541, the Company “shall at all times defend, indemnify and hold harmless the City and any of the City’s representatives from and against all loss sustained by the City on account of any suit, judgment, execution, claim or demand whatsoever resulting fully or in part from the failure of the Company or its employees to exercise due care and diligence in the construction, operation and maintenance of its Electric Facilities in the City...” According to page 10 of City Ordinance No. 6541, the “right of indemnification shall include and extend to reasonable attorney fees and trial preparation expenses and other litigation expenses reasonably incurred in defending a claim arising from the operation of the Electric Facilities by the Company, whether or not the claim be proved to be without merit. Please state whether Kingsport will seek to recover from ratepayers any amounts that may be paid under this provision of the franchise agreement. If so, please explain the rationale for such recovery.
6. Please explain why City Ordinance No. 6556 does not reference or contain language incorporating City Ordinance No. 6541 within City Ordinance No. 6556.