

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

IN RE: PETITION OF KINGSFORT POWER)
COMPANY d/b/a AEP APPALACHIAN) Docket No. 16-00076
POWER FOR MODIFICATION TO THE)
FUEL ADJUSTMENT CLAUSE TARIFF)

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”), 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 proceeding. 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 proceedings before the Authority in accordance with the Uniform Administrative Procedures Act, Tenn. Code Ann. § 4-5-101 *et seq.*, and Authority rules.

2. Kingsport Power Company, d/b/a AEP Appalachian Power (“Kingsport Power” or “Company”), is a public utility regulated by the Authority. It provides electric utility services to consumers located in the State of Tennessee.

3. In its request for Modification of the Fuel Adjustment Clause Tariff (“Modification”), filed on July 5, 2016, in TRA Docket 16-00076, Kingsport Power has requested to adjust customers’ bills to reflect an increase in the charge for power purchased by Kingsport Power from Appalachian Power Company.

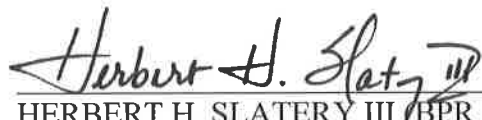
4. The Fuel Adjustment Clause Tariff deals with issues that will be dealt with in the currently pending rate case in which Kingsport Power has asked for a general increase in rates, TRA Docket No. 16-00001. Specifically, Line 7 of the proposed Fuel Cost Adjustment Rate contains a SFAS No. 106 Cost Surcharge Factor of \$0.0986 mills related to post-employment benefits other than pensions that was originally approved in Docket No. 92-14631 and was to continue only until the Company's next rate case. TRA Docket No. 16-00001 represents the Company's first rate case since this surcharge was placed into effect and these costs will now be considered in the Company's base rates. As such, the Consumer Advocate contends that the SFAS No. 106 Cost Surcharge Factor presently in the Fuel Cost Adjustment Rate should now be terminated.

5. Accordingly, the issue of whether to make the requested modification of the Fuel Adjustment Clause in this Docket No. 16-00076 or address the issue in the rate case, Docket No. 16-00001, needs further investigation.

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

WHEREFORE, the Consumer Advocate requests the Authority to grant this Petition to Intervene.

RESPECTFULLY SUBMITTED,


HERBERT H. SLATTERY III (BPR #09077)
Attorney General and Reporter
State of Tennessee



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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 27 day of July, 2016.


Vance L. Broemel