

S. Morris Hadden
William C. Bovender
William C. Argabrite
Jimmie Carpenter Miller
Mark S. Dessauer
Gregory K. Haden
Michael L. Forrester
Stephen M. Darden
Edward J. Webb, Jr.
James N. L. Humphreys
Suzanne Sweet Cook
Michael S. Lattier
Scott T. Powers

Respond to:
Kingsport Office
William C. Bovender
423-378-8858
bovender@hstdlaw.com

HUNTER·SMITH·DAVIS

SINCE 1916

Kingsport Office
1212 North Eastman Road
P.O. Box 3740
Kingsport, TN 37664
Phone (423) 378-8800
Fax (423) 378-8801

Johnson City Office
100 Med Tech Parkway
Suite 110
Johnson City, TN 37604
Phone (423) 283-6300
Fax (423) 283-6301

RECEIVED

2016 AUG -5 AM 11:00

T.R.A. DOCKET ROOM

Leslie Tentler Ridings
Christopher D. Owens
Chad W. Whitfield
Jason A. Creech
Meredith Bates Humbert
Joseph B. Harvey
Rachel Ralston Manc
Caroline Ross Williams
Marcy E. Walker
Karen L. Kane
Teresa Mahan Lesnak *
Michael A. Eastridge *
Jeannette Smith Tysinger*

**Of Counsel*

www.hstdlaw.com

August 4, 2016

David Jones, Chairman
ATTN: David Foster, Chief – Utilities Division
Tennessee Regulatory Authority
502 Deaderick Street, 4th Floor
Nashville, TN 37243

RE: Kingsport Power Company d/b/a AEP Appalachian Power
Fuel Adjustment Tariff Filing; No. 16-00076

Dear Chairman Hilliard:

On behalf of Kingsport Power Company d/b/a AEP Appalachian Power, we submit herewith, in triplicate, pursuant to TRA Rule 1220-4-1-.06, a proposed modification to the Fuel Adjustment Clause Tariff of Kingsport Power Company d/b/a AEP Appalachian Power. Also submitted are calculations which relate to this modification.

This proposed modification was not available sufficiently in advance to comply with the thirty (30) day filing notice as set forth in TRA Rule 1220-4-1-.04 and 1220-4-1-.06(4).

Kingsport respectfully requests that it be allowed to implement this proposed modification effective **September 1, 2016**, pursuant to the authority delegated to the Chairman by Directors of the TRA, that the thirty (30) day notice may be shortened as provided for in TRA Rule 1220-4-1-.04 and 1220-4-1-.06(4).

Mr. Herbert H. Hilliard, Chairman

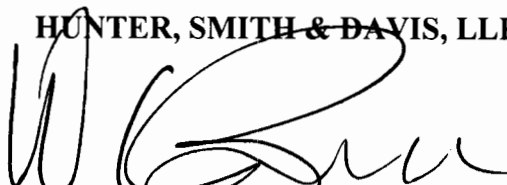
Page 2

August 4, 2016

Should there be any questions, please contact the writer.

Very sincerely yours,

HUNTER, SMITH & DAVIS, LLP

A handwritten signature in black ink, appearing to read 'W. Bovender', is written over the firm name.

William C. Bovender

Attorney for Kingsport Power Company
d/b/a AEP Appalachian Power

Enclosures

c: William K. Castle *(via email)*
Isaac J. Webb *(via email)*
Janice Venable *(via email)*

P.S. We have enclosed an extra copy of the proposed modification which we would appreciate your stamping filed and returning to us in the enclosed self-addressed, stamped envelope. Thank you.

KINGSPORT POWER COMPANY
Calculation of Fuel Cost Adjustment Rate
for Retail Customers for Month of

September 2016

1.	Cost of Fuel Consumed- Month of	June	\$52,979,952
2.	Total MWH of Energy		2,630,862 MWH
3.	Fuel Cost per KWH		20.13787 Mills
4.	Fuel Cost per KWH factored for Appalachian Power losses to Kingsport Power (2.7972%) and Kingsport Power distribution losses (4.70%)		21.7221 Mills
5.	Base Fuel Cost per KWH (15.8563 mills factored for Kingsport Power distribution losses of 4.70%)		16.6383 Mills
6.	Fuel Cost Adjustment Rate per KWH		5.0838 Mills
7.	SFAS No. 106 Cost Surcharge Factor per KWH - Docket No. 92-14631 (B)		0.0986 Mills
8.	Total Fuel Cost Adjustment Rate plus SFAS No. 106 Cost Surcharge Factor applicable to retail customer's bills beginning with September 1, 2016	billing cycle 4	5.1824 Mills

Effective: September 1, 2016

Prepared by: Janice Venable
Prepared: August 3, 2016

FUEL CLAUSE RIDER

Kingsport Power is authorized under the terms of this rider to adjust customers' bills in each applicable tariff whenever 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. Each month, 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.

MONTHLY ADJUSTMENT

Fuel Clause Adjustment 5.1824 mills per kWh

TARIFF	ENERGY CHARGE	FUEL ADJMT.	TOTAL ENERGY CHARGE
R.S. - Residential	4.873 ¢ / kWh	0.51824 ¢ / kWh	5.39124 ¢ / kWh
R.S. - E. - Employee	4.142 ¢ / kWh	0.51824 ¢ / kWh	4.66024 ¢ / kWh
R.S.- L.M. - T.O.D.			
On-peak	7.541 ¢ / kWh	0.51824 ¢ / kWh	8.05924 ¢ / kWh
Off-peak	2.755 ¢ / kWh	0.51824 ¢ / kWh	3.27324 ¢ / kWh
R.S. - T.O.D.- Time of Day			
On-peak	7.541 ¢ / kWh	0.51824 ¢ / kWh	8.05924 ¢ / kWh
Off-peak	2.755 ¢ / kWh	0.51824 ¢ / kWh	3.27324 ¢ / kWh
S.G.S. - Small General Service			
1st 600 kWh	6.792 ¢ / kWh	0.51824 ¢ / kWh	7.31024 ¢ / kWh
Over 600 kWh	5.643 ¢ / kWh	0.51824 ¢ / kWh	6.16124 ¢ / kWh
S.G.S. - L.M. - T.O.D.			
On-peak	9.293 ¢ / kWh	0.51824 ¢ / kWh	9.81124 ¢ / kWh
Off-peak	2.755 ¢ / kWh	0.51824 ¢ / kWh	3.27324 ¢ / kWh
M.G.S. - Medium Gen. Service			
Secondary:			
1st 200 times kW demand	7.374 ¢ / kWh	0.51824 ¢ / kWh	7.89224 ¢ / kWh
Over 200 times kW demand	3.689 ¢ / kWh	0.51824 ¢ / kWh	4.20724 ¢ / kWh
Primary:			
1st 200 times kW demand	6.864 ¢ / kWh	0.51824 ¢ / kWh	7.38224 ¢ / kWh
Over 200 times kW demand	3.280 ¢ / kWh	0.51824 ¢ / kWh	3.79824 ¢ / kWh
Load Mgmt.			
On-peak	8.847 ¢ / kWh	0.51824 ¢ / kWh	9.36524 ¢ / kWh
Off-peak	2.755 ¢ / kWh	0.51824 ¢ / kWh	3.27324 ¢ / kWh

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

124th Revised Sheet Number 2-12
T.R.A. Tariff Number 1

TARIFF	ENERGY CHARGE	FUEL ADJMT.	TOTAL ENERGY CHARGE
M.G.S. - Medium Gen. Service (cont'd)			
Time-of-Day			
On-peak	8.847 ¢ / kWh	0.51824 ¢ / kWh	9.36524 ¢ / kWh
Off-peak	2.755 ¢ / kWh	0.51824 ¢ / kWh	3.27324 ¢ / kWh
L.G.S. - Large Gen. Service			
Secondary	3.869 ¢ / kWh	0.51824 ¢ / kWh	4.38724 ¢ / kWh
Primary	3.401 ¢ / kWh	0.51824 ¢ / kWh	3.91924 ¢ / kWh
Subtransmission	2.709 ¢ / kWh	0.51824 ¢ / kWh	3.22724 ¢ / kWh
I.P. - Industrial Power			
Primary	2.302 ¢ / kWh	0.51824 ¢ / kWh	2.82024 ¢ / kWh
Subtransmission	2.269 ¢ / kWh	0.51824 ¢ / kWh	2.78724 ¢ / kWh
Transmission	2.241 ¢ / kWh	0.51824 ¢ / kWh	2.75924 ¢ / kWh
E.H.G.- Electric Heating General	5.516 ¢ / kWh	0.51824 ¢ / kWh	6.03424 ¢ / kWh
C.S. - Church Service	6.213 ¢ / kWh	0.51824 ¢ / kWh	6.73124 ¢ / kWh
P.S. - Public Schools	6.068 ¢ / kWh	0.51824 ¢ / kWh	6.58624 ¢ / kWh