

BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION

NASHVILLE, TENNESSEE

August 10, 2017

IN RE:

**PETITION OF KINGSPORT POWER COMPANY D/B/A
AEP APPALACHIAN POWER FOR APPROVAL OF ITS
TARGETED RELIABILITY PLAN, AND ITS TRP & MS
RIDER, AN ALTERNATIVE RATE MECHANISM**

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**DOCKET NO.
17-00032**

PRE-HEARING ORDER

Pursuant to Tenn. Code Ann. § 4-5-306(d) and TPUC Rule 1220-1-2-.12, this matter is before the Hearing Officer to establish the orderly conduct of the hearing in this matter. On August 8, 2017, the Hearing Officer held an informal telephone conference with the parties, Petitioner, Kingsport Power Company d/b/a AEP Appalachian Power (“KPC” or the “Company”) and Intervenors, the Consumer Protection and Advocate Division of the Office of the Attorney General (“Consumer Advocate”) and East Tennessee Energy Consumers (“ETEC”) to discuss the procedural aspects of the hearing. At the beginning of the Pre-hearing Conference, ETEC indicated that it planned to file a notice of withdrawal from the proceedings.

PROCEDURAL MATTERS

A. Notice of Hearing & Public Comment

The purpose of the hearing is to consider KPC’s petition filed on April 19, 2017, pursuant to Tenn. Code Ann. §§ 65-5-102 - 65-5-103 and TPUC Rules, requesting to implement two alternative regulatory methods. On August 4, 2017, a *Notice of Hearing* was issued notifying the public that the hearing will be held during the Commission Conference scheduled to begin at

1:00 p.m. CDT on Tuesday, August 15, 2017. As was included in the notice, members of the public are encouraged to participate by filing written comments in the docket file and/or presenting verbal comments during the hearing.

B. Opening Statements

After any preliminary matters are considered, each party is permitted a maximum of five (5) minutes to present an opening statement. KPC will present its opening statement first, followed by the Consumer Advocate.

C. Witnesses

During direct examination, a time limit has been established for each witness to summarize his pre-filed testimony. In addition, each witness should be advised that he remains subject to recall for rebuttal purposes and should remain available throughout the length of the proceedings. The witnesses and time limits are set forth below.

- KPC will present the following three witnesses:
 1. William K. Castle, Director of Regulatory Services VA/TN for KPC (5-10 minutes)
 2. Philip A. Wright, Vice President of Distribution Operations for Appalachian Power Company (5-10 minutes)
 3. A. Wayne Allen, Regulatory Accounting Case Manager for American Electric Power (5-10 minutes)
- The Consumer Advocate will present one witness:
 1. William H. Novak, CPA, President, WHN Consulting (5 minutes)

D. Exhibits

The parties should exchange any demonstrative exhibits related to a witness's pre-filed testimony by **Noon (CDT) on August 10, 2017**. Each party should have its own copy of all exhibits, including those appended to pre-filed testimony, available for reference during the

hearing, and is responsible for supplying a sufficient number of copies of any exhibits that it intends to reference or discuss with a witness. A party should use its own judgment and discretion in determining the total number of copies to have on hand, but at a minimum, copies of an exhibit should be provided to the court reporter, each Commissioner, Legal Staff, and each Commission Division Chief. Delaying or interrupting the proceedings to make copies is disfavored and, in the discretion of the panel, may not be permitted.

E. Examination of Witnesses and Questions by the Commission

While re-direct examination of a witness is allowed, the parties are reminded that it is to be limited to matters elicited during cross-examination that require clarification. It is not appropriate to raise new issues during re-direct examination. Re-cross examination is not permitted except in the event that a new issue is raised during the immediately preceding re-direct examination. The Commission's Advisory Staff has the opportunity to ask questions following cross-examination, before re-direct examination. The parties should be aware that the Commissioners might ask questions at any time during a witness's testimony and after cross-examination.

F. Closing Arguments

Each party is permitted a maximum of five (5) minutes to present a closing statement. The Consumer Advocate will present its closing statement first, followed by KPC.

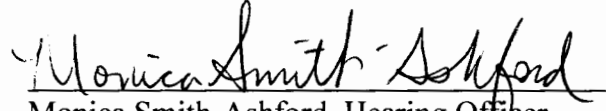
G. Summary Outline of Hearing

For the convenience of the presiding panel and the parties, a *Procedural Outline of Hearing* has been provided as Attachment A to this Order.

IT IS THEREFORE ORDERED THAT:

1. The parties shall exchange demonstrative exhibits by **Noon (CDT) on August 10, 2017.**

2. The hearing scheduled to be held during the Commission Conference beginning at **1:00 p.m. CDT on August 15, 2017**, shall be conducted in accordance with the requirements and deadlines set forth in this Pre-Hearing Order unless otherwise ordered by the Chairman.


Monica Smith-Ashford, Hearing Officer

**BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION
NASHVILLE, TENNESSEE**

IN RE:

**PETITION OF KINGSPORT POWER COMPANY
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OF ITS TARGETED RELIABILITY PLAN, AND ITS
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**DOCKET NO.
17-00032**

PROCEDURAL OUTLINE OF HEARING

Time/Date: 1:00 p.m. CDT on August 15, 2017

- **Location: Hearing Room G.201
Andrew Jackson State Office Building
500 Deaderick Street, Nashville, TN**

Hearing on the Merits

Hearing Convened by Chairman/Presiding Commissioner and Introductions

A. Preliminary Matters

B. Opening Statements (5 minutes each):

- 1) Kingsport Power Company d/b/a AEP Appalachian Power (“KPC”)
- 2) Attorney General-Consumer Protection & Advocate Div. (“Consumer Advocate”)

C. Witness Testimony:

KPC witness #1

*Summary of pre-filed
Cross-examination

**William K. Castle, Director of Regulatory
Services VA/TN for KPC**

Limited to 5-10 minutes
Consumer Advocate

Questions	TPUC Advisory Staff and/or Commissioners ¹
Re-direct examination	KPC
Re-cross examination	(if requested & determined appropriate)
<u>KPC witness #2</u>	Philip A. Wright, Vice President of Distribution Operations for Appalachian Power Company
*Summary of pre-filed	Limited to 5-10 minutes
Cross-examination	Consumer Advocate
Questions	TPUC Advisory Staff and/or Commissioners
Re-direct examination	KPC
Re-cross examination	(if requested & determined appropriate)
<u>KPC witness #3</u>	A. Wayne Allen, Regulatory Accounting Case Manager for American Electric Power
*Summary of pre-filed	Limited to 5-10 minutes
Cross-examination	Consumer Advocate
Questions	TPUC Advisory Staff and/or Commissioners
Re-direct examination	KPC
Re-cross examination	(if requested & determined appropriate)
<u>Consumer Advocate witness</u>	William H. Novak, CPA President WHN Consulting
*Summary of pre-filed	Limited to 5 minutes
Cross-examination	KPC
Questions	TPUC Advisory Staff and/or Commissioners
Re-direct examination	Consumer Advocate
Re-cross examination	(if requested & determined appropriate)

¹ The Commission Advisory Staff has an opportunity to question a witness between cross and re-direct examination. Commissioners may ask questions at any time, including between cross and re-direct examination.

D. Closing Statements (5 minutes each):

1) Consumer Advocate

2) KPC

E. Public Comment

F. Consideration of Final Matters/Issues (if any)

G. Hearing Adjourned