

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@hdsdlaw.com

HUNTER·SMITH·DAVIS

SINCE 1916

LLP

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

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

**Of Counsel*

KPOW.93405

September 15, 2017

VIA EMAIL (Sharla.Dillon@tn.gov) & FEDEX

Mr. David Price, Chairman
c/o Sharla Dillon, Dockets & Records Manager
Tennessee Public Utility Commission
502 Deaderick Street, 4th Floor
Nashville, TN 37243

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 and Motion for
Protective Order
Docket No. 17-000032

Dear Chairman Price:

On behalf of Kingsport Power Company, we transmit herewith the following:

1. Submission of Tariff Provisions Pursuant to Approval of Petition of Kingsport Power Company d/b/a AEP Appalachian Power and Motion for Waiver of Thirty (30) Day Filing Requirement

The originals and four (4) copies are being sent via Federal Express.

Very sincerely yours,

HUNTER, SMITH & DAVIS, LLP



William C. Bovender

Enclosures

cc: James R. Bacha, Esq. (w/enc.)
Kelly Grams, General Counsel (w/enc.)

Mr. David Price, Chairman

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September 15, 2017

David Foster (w/enc.)

Monica L. Smith-Ashford, Esq. (w/enc.)

Michael J. Quinan, Esq. (w/enc.)

Wayne M. Irvin, Esq. (w/enc.)

Joseph B. Harvey, Esq. (w/enc.)

BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION

NASHVILLE, TENNESSEE

IN RE:)	
)	
Petition of Kingsport Power Company d/b/a AEP)	
Appalachian Power for Approval of its Targeted)	DOCKET NO.: 17-00032
Reliability Plan, and its TRP & MS Rider, an)	
Alternative Rate Mechanism and Motion for)	
Protective Order)	

**SUBMISSION OF TARIFF PROVISIONS PURSUANT TO APPROVAL OF PETITION OF
KINGSPORT POWER COMPNAY d/b/a AEP APPALACHIAN POWER AND MOTION FOR
WAIVER OF THIRTY (30) DAY FILING REQUIREMENT**

Comes Kingsport Power Company d/b/a AEP Appalachian Power ("KPC"), and, pursuant to the action of the Tennessee Public Utility Commission ("TPUC") at the August 15, 2017 Conference in this Docket No. 17-00032 and TPUC Rules and Regulation Section 1220-4-1-.06, submits herewith the attached Tariff, "TRP & MS RIDER" petitioned for by KPC and approved by TPUC in said Docket No. 17-00032, which sets forth the terms of the rider which will apply to charges to all customer bills on a service rendered basis to recover actually incurred TRP & MS (Targeted Reliability & Major Storm) Rider costs in the future.

KPC would further show unto TPUC the following:

1. The Tariff, TRP & MS RIDER, submitted herewith was approved in concept by TPUC on August 15, 2017.
2. It is submitted for filing herewith in this docket.

3. During the first twelve months following the filing of this Tariff TRP & MS RIDER, there will be no changes in charges to KPC customers because the rates are initially set at zero.

4. As a result, KPC asks that the thirty (30) day notice requirement mentioned in Section 4 in the Tariff TRP & MS RIDER and contained in TPUC Rules and Regulations Section 1220-4-1-.06 be waived and that the Tariff be allowed to take effect October 1, 2017.

5. KPC submits that because it is in the customers' best interests to begin the TRP and associated over/under recovery accounting as soon as practicable and because no customer's bill will be impacted by the filing, good cause is shown for the waiver of the thirty (30) day filing period and that the effective date of October 1, 2017 is proper.

PREMISES CONSIDERED, Kingsport Power Company d/b/a AEP Appalachian Power be granted the permission/relief requested herein.

Respectfully submitted this the 15th day of September, 2017

**KINGSPORT POWER COMPANY d/b/a AEP
APPALACHIAN POWER**

By: 

William C. Bovender, Esq. (BPR #000751)

Joseph B. Harvey (BPR #028891)

HUNTER, SMITH & DAVIS, LLP

1212 N. Eastman Road

P. O. Box 3740

Kingsport, TN 37664

(423) 378-8858; Fax: (423) 378-8801

Email: bovender@hdsdlaw.com

Email: jharvey@hdsdlaw.com

OF COUNSEL:

James R. Bacha, Esq.

American Electric Power Service Corporation

1 Riverside Plaza

Columbus, OH 43215

(615) 716-1615; Fax: (614) 716-2950

Email: jrbacha@aep.com

CERTIFICATE OF SERVICE

The undersigned hereby certifies that the foregoing **Submission of Tariff Provisions Pursuant to Approval of Petition of Kingsport Power Company d/b/a AEP Appalachian Power and Motion for Waiver of Thirty (30) Day Filing Requirement** has been served upon the following by mailing a copy of same by United States mail, postage prepaid, and Emailing as follows, on this the 15th day of September, 2017.

Kelly Grams, General Counsel
Tennessee Public Utility Commission
502 Deaderick Street, 4th Floor
Nashville, TN 37243
Email: Kelly.Grams@tn.gov

David Foster, Chief-Utilities Division
Tennessee Utility Commission
502 Deaderick Street, 4th Floor
Nashville, TN 37243
Email: David.Foster@tn.gov

Monica L. Smith-Ashford
Tennessee Public Utility Commission
502 Deaderick Street, 4th Floor
Nashville, TN 37243
Email: monica.smith-ashfor@tn.gov

Michael J. Quinan, Esq.
Christian & Barton, LLP
909 East Main Street, Suite 1200
Richmond, VA 23219
Email: mquinan@cblaw.com

Wayne M. Irvin
Assistant Attorney General
Consumer Advocate and Protection Division
Office of the Tennessee Attorney General
PO Box 20207
Nashville, TN 37202
Email: wayne.irvin@ag.tn.gov

HUNTER, SMITH & DAVIS, LLP

By



William C. Bovender

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TRP & MS RIDER

In accordance with Tennessee Code Annotated § 65-5-103 (d) (2) (A) (ii) and (iii), Kingsport Power is authorized under the terms of this rider to apply a charge to all customer bills on a service rendered basis to recover actually incurred TRP & MS (Targeted Reliability Plan & Major Storm) Rider costs.

1. Calculation of Targeted Reliability Program and Major Storm Rider Recovery

At least annually the Company will file information regarding actual Targeted Reliability Plan (TRP) costs and Major Storm (MS) expenses. The annual change in the Company's TRP & MS Rider recovery amount shall be calculated according to the following formula:

$$\text{TRP \& MSa} - \text{TRP \& MSr}$$

Where

TRP & MSa is the Company's Targeted Reliability Plan and Major Storm actual costs incurred by the Company for the period. The costs will be net of the reliability expenses and major storm expenses approved in the Company's most recent base case (an annual amount of \$1,295,753). In developing the Targeted Reliability Plan return on capital, the Company will use the most recent base case authorized rate of return.

TRP & MSr is the actual revenues received as a result of TRP & MS Rider rates in effect for the same period.

2. Updates to TRP & MS Rider Costs

TRP & MS Rider rates shall remain in effect until such time as new TRP & MS Rider rates are approved by the Tennessee Public Utility Commission.

3. Determination of Adjustments to Surcharges by Tariff

The Company will adjust the level of revenue recovery (positive or negative) under the TRP & MS Rider by the amount of the Calculation described in Section 1 and any remaining prior period over/under recovery balance. Prior period over/under recovery balances result from differences between the Company's actual costs as calculated in Section 1 and actual billing under the Rider in prior reporting periods. The Company will allocate the revenue requirement to the individual tariff class by application of the revenue allocation factors used in the Company's most recent base case, and will use the appropriate billing determinants, as determined in the Company's most recent base case, to develop the TRP & MS Rider tariff charges.

4. Notification of Change in Charge by the Company

The Company will provide no less than a 30-day notice of the proposed effective date in any change in the Rider charge to its customers. The Company will also provide the calculations and other information supporting the Rider charges to the Staff of the Tennessee Public Utility Commission in advance of the effective date of such charge.

TRP & MS RIDER

5. Charge

Pursuant to the provisions of this Rider, a TRP & MS Rider charge will be applied to each account under the Company's filed tariffs.

The TRP & MS Rider charge applicable to each tariff is set below:

<u>Tariff</u>	<u>Energy Rate</u>	<u>Demand Rate</u>	<u>Customer Rate</u>
	(¢) / kWh	(\$)/ KW or *KVA	(\$)/Customer
<u>Residential</u>			\$0.00
<u>Residential Employee</u>			\$0.00
<u>Residential Time-of-Day</u>			\$0.00
<u>Small General Service (SGS)</u>			\$0.00
<u>Medium General Service (MGS) Secondary</u>		\$0.00	
<u>General Service Time-of-Day (GS-TOD)</u>	0.0000		
<u>Medium General Service (MGS) Primary</u>		\$0.00	
<u>Large General Service (LGS) Secondary*</u>		\$0.00	
<u>Large General Service (LGS) Primary*</u>		\$0.00	
<u>LGS Subtransmission/Transmission*</u>		\$0.00	
<u>Industrial Power (IP) Secondary</u>		\$0.00	
<u>Industrial Power (IP) Primary</u>		\$0.00	
<u>Industrial Power (IP) Subtransmission/Transmission</u>		\$0.00	
<u>Church Service</u>	0.00000		
<u>Public Schools (PS)</u>	0.00000		
<u>Electric Heating General (EHG)**</u>		\$0.00	
<u>Outdoor Lighting (OL)- (per Lamp)</u>			\$0.00

**Demand is measured in accordance with tariff.