Kingsport Power Annual Reliability Indices

	Customers Served	Outage Records	Customers Interrupted	Customer-Minutes	SAIDI	SAIFI
Excluding JMEDs (IEEE MEDs):						
2010	47,239	1,929	66,634	7,812,316	165.4	1.411
2011	47,077	2,083	71,595	9,442,082	200.6	1.521
2012	47,137	2,048	72,219	9,766,165	207.2	1.532
2013	47,243	1,995	76,539	10,454,468	221.3	1.620
2014	47,216	2,067	70,580	10,189,052	215.8	1.495
2015	47,302	2,201	65,343	9,451,641	199.8	1.381
2016	47,645	2,127	92,116	12,716,443	266.9	1.933

SAIDI

Cause	2012	2013	2014	2015	2016
Veg Inside RoW	51.38	47.68	60.28	57.52	74.53
Equipment	48.81	45.08	44.96	50.3	48.82
Scheduled	21.06	34.88	34.7	25.15	35.92
Veg Outside RoW	23.49	21.9	29.63	22.45	31.75
Vehicle Accident	19.84	19.93	15.42	22.54	18.78
Station - Distribution	11.43	16.75	9.14	6.89	12.79
Lightning	15.54	11.23	2.64	5.6	18.33
Remaining	5.49	5.83	2.43	3.25	11.34
G&T	0	9.89	8.17	0	6.23
Animal	4.22	3.89	5.43	4.14	4.59
Unknowns	5.93	4.22	3	1.99	3.82
Grand Total	207.19	221.28	215.8	199.83	266.9

Cause	2012	2013	2014	2015	2016
Veg Inside/Outside	74.87	69.58	89.91	79.97	106.28
Equipment	48.81	45.08	44.96	50.3	48.82
Scheduled	21.06	34.88	34.7	25.15	35.92
Vehicle Accident	19.84	19.93	15.42	22.54	18.78
Station - Distribution	11.43	16.75	9.14	6.89	12.79
Lightning	15.54	11.23	2.64	5.6	18.33
Remaining	5.49	5.83	2.43	3.25	11.34
G&T	0	9.89	8.17	0	6.23
Animal	4.22	3.89	5.43	4.14	4.59
Unknowns	5.93	4.22	3	1.99	3.82
	207.19	221.28	215.8	199.83	266.9

SAIFI

Cause	2012	2013	2014	2015	2016
Equipment	0.4047	0.3456	0.3666	0.3945	0.3788
Veg Inside RoW	0.2863	0.2346	0.3706	0.3103	0.4048
Scheduled	0.1766	0.2626	0.2164	0.2379	0.2222
Vehicle Accident	0.1676	0.1759	0.1222	0.132	0.1834
Veg Outside RoW	0.1525	0.1345	0.15	0.1427	0.1445
Station - Distribution	0.1321	0.1178	0.0639	0.0749	0.0948
Lightning	0.0772	0.0943	0.0204	0.0187	0.1192
G&T	0	0.0694	0.0534	0	0.1997
Remaining	0.0546	0.0964	0.0231	0.0173	0.0844
Animal	0.0507	0.0413	0.0743	0.0446	0.0484
Unknowns	0.0297	0.0476	0.0341	0.0084	0.0534
Grand Total	1.532	1.62	1.495	1.3813	1.9336
All Other Cause	0.0843	0.2134	0.1106	0.0257	0.3375

Cause	2012	2013	2014	2015	2016

Veg Inside/Outside	0.4388	0.3691	0.5206	0.453	0.5493
Equipment	0.4047	0.3456	0.3666	0.3945	0.3788
Scheduled	0.1766	0.2626	0.2164	0.2379	0.2222
Vehicle Accident	0.1676	0.1759	0.1222	0.132	0.1834
Station - Distribution	0.1321	0.1178	0.0639	0.0749	0.0948
Lightning	0.0772	0.0943	0.0204	0.0187	0.1192
Animal	0.0507	0.0413	0.0743	0.0446	0.0484
All Other Cause	0.0843	0.2134	0.1106	0.0257	0.3375
	1.532	1.62	1.495	1.3813	1.9336

Totals	WA
291.39	26.23%
237.97	21.42%
151.71	13.66%
129.22	11.63%
96.51	8.69%
57	5.13%
53.34	4.80%
28.34	2.55%
24.29	2.19%
22.27	2.00%
18.96	1.71%
1111	

WA
420.61
237.97
151.71
96.51
57
53.34
28.34
24.29
22.27
18.96
1111

Cause	2012	2013	2014	2015
Veg Inside/Outside	36.1%	31.4%	41.7%	40.0%
Equipment	23.6%	20.4%	20.8%	25.2%
Scheduled	10.2%	15.8%	16.1%	12.6%
Vehicle Accident	9.6%	9.0%	7.1%	11.3%
Station - Distribution	5.5%	7.6%	4.2%	3.4%
Lightning	7.5%	5.1%	1.2%	2.8%
Remaining	2.6%	2.6%	1.1%	1.6%
G&T	0.0%	4.5%	3.8%	0.0%
Animal	2.0%	1.8%	2.5%	2.1%
Unknowns	2.9%	1.9%	1.4%	1.0%
All Other Causes	5.5%	9.0%	6.3%	2.6%

WA	Cause	2012	2013	2014	2015

2.3308	Veg Inside/Outside	0.28642298	0.22783951	0.34822742	0.32795193
1.8902	Equipment	0.26416449	0.21333333	0.24521739	0.28560052
1.1157	Scheduled	0.11527415	0.16209877	0.14474916	0.17222906
0.7811	Vehicle Accident	0.10939948	0.10858025	0.08173913	0.09556215
0.4835	Station - Distribution	0.08622715	0.07271605	0.04274247	0.05422428
0.3298	Lightning	0.05039164	0.05820988	0.01364548	0.01353797
0.2593	Animal	0.03309399	0.02549383	0.049699	0.03228842
0.7715	All Other Cause	0.05502611	0.1317284	0.07397993	0.01860566
7.9619		1	1	1	1

2016	WA
39.8%	37.9%
18.3%	21.4%
13.5%	13.7%
7.0%	8.7%
4.8%	5.1%
6.9%	4.8%
4.2%	2.6%
2.3%	2.2%
1.7%	2.0%
1.4%	1.7%
8.0%	6.4%

Cause	2012	2013	2014	2015	2016	Average
Veg Inside/Outside	36%	31%	42%	40%	40%	38%
Equipment	24%	20%	21%	25%	18%	21%
Scheduled	10%	16%	16%	13%	13%	14%
Vehicle Accident	10%	9%	7%	11%	7%	9%
Station - Distribution	6%	8%	4%	3%	5%	5%
Lightning	8%	5%	1%	3%	7%	5%
Animal	2%	2%	3%	2%	2%	2%
All Other Causes	6%	9%	6%	3%	8%	6%

2016 WA

Cause	2012	2013	2014	2015	2016	Average

0.284082	0.292744
0.195904	0.237406
0.114915	0.14013
0.094849	0.098105
0.049028	0.060727
0.061647	0.041422
0.025031	0.032568
0.174545	0.096899
1	1

Veg Inside/Outside	29%	23%	35%	33%	28%	29%
Equipment	26%	21%	25%	29%	20%	24%
Scheduled	12%	16%	14%	17%	11%	14%
Vehicle Accident	11%	11%	8%	10%	9%	10%
Station - Distribution	9%	7%	4%	5%	5%	6%
Lightning	5%	6%	1%	1%	6%	4%
Animal	3%	3%	5%	3%	3%	3%
All Other Cause	6%	13%	7%	2%	17%	10%

TRS System Reliability Programs						
Year	Capital	O&M	Capital	O&M	Capital	O&M
Year 1	$483,562	$4,691	$734,294	$234,780	$0	$0
Year 2	$503,561	$4,784	$740,331	$234,911	$0	$0
Year 3	$512,769	$4,879	$742,889	$235,002	$0	$0
Year 4	$523,180	$4,976	$745,810	$235,099	$0	$0
Year 5	$2,089,132	$284,137	$1,575,500	$366,000	$2,573,500	$59,100
Total Spend	**$4,112,204**	**$303,468**	**$4,538,824**	**$1,305,793**	**$2,573,500**	**$59,100**

[redacted]	
Capital	**O&M**
$1,217,856	$239,471
$1,243,892	$239,695
$1,255,659	$239,882
$1,268,990	$240,075
$6,238,132	$709,237
$11,224,529	**$1,668,360**

TRP System Reliability Programs

[redacted]	[redacted]		[redacted]		[redacted]		[redacted]
Year	**Capital**	**O&M**	**Capital**	**O&M**	**Capital**	**O&M**	**Capital**
Year 1	$1,760,063	$3,687,750	$483,562	$4,691	$734,294	$234,780	$0
Year 2	$1,795,264	$3,761,505	$503,561	$4,784	$740,331	$234,911	$0
Year 3	$1,831,169	$3,836,735	$512,769	$4,879	$742,889	$235,002	$0
Year 4	$1,867,792	$3,913,470	$523,180	$4,976	$745,810	$235,099	$0
Year 5	$838,125	$2,514,375	$2,089,132	$284,137	$1,575,500	$366,000	$2,573,500
Year 6	$854,888	$2,564,663	$2,089,132	$284,137	$1,575,500	$366,000	$2,573,500
Year 7	$871,985	$2,615,956	$2,089,132	$284,137	$1,575,500	$366,000	$2,573,500
Year 8	$889,425	$2,668,275	$2,089,132	$284,137	$1,575,500	$366,000	$2,573,500
Year 9	$670,500	$2,721,640	$2,089,132	$284,137	$1,575,500	$366,000	$2,573,500
Year 10	$683,910	$2,776,073	$2,089,132	$284,137	$1,575,500	$366,000	$2,573,500
Total Spend	**$12,063,120**	**$31,060,442**	**$14,557,866**	**$1,724,153**	**$12,416,324**	**$3,135,793**	**$15,441,000**

Targeted Reliability Plan - Projected Costs

[redacted]	[redacted]		[redacted]		[redacted]		[redacted]
Year	**Capital**	**O&M**	**Capital**	**O&M**	**Capital**	**O&M**	**Capital**
Year 1	$1,760,063	$3,687,750	$483,562	$4,691	$734,294	$234,780	$0
Year 2	$1,795,264	$3,761,505	$503,561	$4,784	$740,331	$234,911	$0
Year 3	$1,831,169	$3,836,735	$512,769	$4,879	$742,889	$235,002	$0
Year 4	$1,867,792	$3,913,470	$523,180	$4,976	$745,810	$235,099	$0
Year 5	$838,125	$2,514,375	$2,089,132	$284,137	$1,575,500	$366,000	$2,573,500
Year 6	$854,888	$2,564,663	$2,089,132	$284,137	$1,575,500	$366,000	$2,573,500
Year 7	$871,985	$2,615,956	$2,089,132	$284,137	$1,575,500	$366,000	$2,573,500
Year 8	$889,425	$2,668,275	$2,089,132	$284,137	$1,575,500	$366,000	$2,573,500
Year 9	$670,500	$2,721,640	$2,089,132	$284,137	$1,575,500	$366,000	$2,573,500
Year 10	$683,910	$2,776,073	$2,089,132	$284,137	$1,575,500	$366,000	$2,573,500
Total Spend	**$12,063,120**	**$31,060,442**	**$14,557,866**	**$1,724,153**	**$12,416,324**	**$3,135,793**	**$15,441,000**

O&M	Capital	O&M
$0	$2,977,919	$3,927,221
$0	$3,039,155	$4,001,200
$0	$3,086,828	$4,076,617
$0	$3,136,783	$4,153,545
$59,100	$7,076,257	$3,223,612
$59,100	$7,093,020	$3,273,900
$59,100	$7,110,117	$3,325,193
$59,100	$7,127,557	$3,377,512
$59,100	$6,908,632	$3,430,877
$59,100	$6,922,042	$3,485,310
$354,600	**$54,478,310**	**$36,274,987**

O&M	Capital	O&M
$0	$2,977,919	$3,927,221
$0	$3,039,155	$4,001,200
$0	$3,086,828	$4,076,617
$0	$3,136,783	$4,153,545
$59,100	$7,076,257	$3,223,612
$59,100	$7,093,020	$3,273,900
$59,100	$7,110,117	$3,325,193
$59,100	$7,127,557	$3,377,512
$59,100	$6,908,632	$3,430,877
$59,100	$6,922,042	$3,485,310
$354,600	**$54,478,310**	**$36,274,987**

Vegetation Management - Projected Costs

Year	Capital	O&M	Capital
Year 1	$1,760,063	$3,687,750	$5,447,813
Year 2	$1,795,264	$3,761,505	$5,556,769
Year 3	$1,831,169	$3,836,735	$5,667,904
Year 4	$1,867,792	$3,913,470	$5,781,262
Year 5	$838,125	$2,514,375	$3,352,500
Year 6	$854,888	$2,564,663	$3,419,550
Year 7	$871,985	$2,615,956	$3,487,941
Year 8	$889,425	$2,668,275	$3,557,700
Year 9	$670,500	$2,721,640	$3,392,140
Year 10	$683,910	$2,776,073	$3,459,983
Total Spend	**$12,063,120**	**$31,060,442**	**$43,123,562**

System Improvement - Projected Costs

[illegible]	[illegible]		[illegible]		[illegible]
Year	**Capital**	**O&M**	**Capital**	**O&M**	**Capital**
Year 1	$483,562	$4,691	$734,294	$234,780	$0
Year 2	$503,561	$4,784	$740,331	$234,911	$0
Year 3	$512,769	$4,879	$742,889	$235,002	$0
Year 4	$523,180	$4,976	$745,810	$235,099	$0
Year 5	$2,089,132	$284,137	$1,575,500	$366,000	$2,573,500
Year 6	$2,089,132	$284,137	$1,575,500	$366,000	$2,573,500
Year 7	$2,089,132	$284,137	$1,575,500	$366,000	$2,573,500
Year 8	$2,089,132	$284,137	$1,575,500	$366,000	$2,573,500
Year 9	$2,089,132	$284,137	$1,575,500	$366,000	$2,573,500
Year 10	$2,089,132	$284,137	$1,575,500	$366,000	$2,573,500
Total Spend	**$14,557,866**	**$1,724,153**	**$12,416,324**	**$3,135,793**	**$15,441,000**

System Improvement - Projected Costs				
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Year	**Capital & O&M**	**Capital & O&M**	**Capital & O&M**	**Capital & O&M**
Year 1	$488,253	$969,075	$0	$1,457,327
Year 2	$508,345	$975,242	$0	$1,483,587
Year 3	$517,649	$977,891	$0	$1,495,540
Year 4	$528,157	$980,909	$0	$1,509,065
Year 5	$2,373,269	$1,941,500	$2,632,600	$6,947,369
Year 6	$2,373,269	$1,941,500	$2,632,600	$6,947,369
Year 7	$2,373,269	$1,941,500	$2,632,600	$6,947,369
Year 8	$2,373,269	$1,941,500	$2,632,600	$6,947,369
Year 9	$2,373,269	$1,941,500	$2,632,600	$6,947,369
Year 10	$2,373,269	$1,941,500	$2,632,600	$6,947,369
Total Spend	**$16,282,018**	**$15,552,117**	**$15,795,600**	**$47,629,735**

Targeted Reliability Plan - Projected Costs					
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Year	**New Capital**	**Total O&M**	**New Capital**	**Total O&M**	**New Capital**
Year 1	$1,760,063	$3,687,750	$1,217,856	$239,471	$2,977,919
Year 2	$1,795,264	$3,761,505	$1,243,892	$239,695	$3,039,155
Year 3	$1,831,169	$3,836,735	$1,255,659	$239,882	$3,086,828
Year 4	$1,867,792	$3,913,470	$1,268,990	$240,075	$3,136,783
Year 5	$838,125	$2,514,375	$6,238,132	$709,237	$7,076,257
Year 6	$854,888	$2,564,663	$6,238,132	$709,237	$7,093,020
Year 7	$871,985	$2,615,956	$6,238,132	$709,237	$7,110,117
Year 8	$889,425	$2,668,275	$6,238,132	$709,237	$7,127,557
Year 9	$670,500	$2,721,640	$6,238,132	$709,237	$6,908,632
Year 10	$683,910	$2,776,073	$6,238,132	$709,237	$6,922,042
Total Spend	**$12,063,120**	**$31,060,442**	**$42,415,190**	**$5,214,545**	**$54,478,310**

[illegible]	[illegible]	
O&M	**Capital**	**O&M**
$0	$1,217,856	$239,471
$0	$1,243,892	$239,695
$0	$1,255,659	$239,882
$0	$1,268,990	$240,075
$59,100	$6,238,132	$709,237
$59,100	$6,238,132	$709,237
$59,100	$6,238,132	$709,237
$59,100	$6,238,132	$709,237
$59,100	$6,238,132	$709,237
$59,100	$6,238,132	$709,237
$354,600	**$42,415,190**	**$5,214,545**

Total O&M
$3,927,221
$4,001,200
$4,076,617
$4,153,545
$3,223,612
$3,273,900
$3,325,193
$3,377,512
$3,430,877
$3,485,310
$36,274,987

KgPCo Major Storm O&M Costs

Year	O&M Costs
2009	$ 1,932,424
2010	$ 579,075
2011	$ 892,759
2012	$ 406,124
2013	$ 1,437,600
2014	$ 83,949
2015	$ -
2016	$ 198,762

Kingsport Power Company
Example of Over/Under Recovery through Rider (for illustrative purposes only)
Targeted Reliability Plan (Both O&M and Capital) and Major Storm Restoration (O&M only)

Assume varying levels of Targeted Reliability Plan and major storm costs each year
with prior period over/under recovery refunded/collected in following year

	Year 1	Year 2	Year 3	Year 4
Beginning (Over)/Under Recovery Balance	$ -	$ 3,453,539	$ 3,024,294	$ 3,822,077
Targeted Reliability Plan O&M Expenses (primarily a/c 593XXXX, tracked by program specific project #s)	$ 3,500,000	$ 3,750,000	$ 4,000,000	$ 4,100,000
Less: Reliability O&M Expenses Recovered in Base Rates (Annually)	$ 903,372	$ 903,372	$ 903,372	$ 903,372
Incremental Targeted Reliability Plan O&M Expenses	2,596,628	2,846,628	3,096,628	3,196,628
Major Storm O&M Expenses (primarily a/c 593XXXX, tracked by storm specific project #s)	$ 1,000,000	$ -	$ 392,381	$ 500,000
Less: Major Storm O&M Expenses Recovered in Base Rates (Annually)	$ 392,381	$ 392,381	$ 392,381	$ 392,381
Incremental Major Storm O&M Expenses	607,619	(392,381)	-	107,619
Depreciation Expense (a/c 4030001)	74,750	156,975	246,675	339,365
Return on Net Plant (6.175% after-tax rate of return on rate base)	174,542	359,533	554,480	748,421
Total Incremental Costs	3,453,539	6,424,294	6,922,077	8,214,110
Capital Expenditures re Targeted Reliability Plan	2,500,000	2,750,000	3,000,000	3,100,000
Rider Revenue/(Surcredit)	-	3,400,000	3,100,000	3,800,000
Ending (Over)/Under Recovery Balance	$ 3,453,539	$ 3,024,294	$ 3,822,077	$ 4,414,110
Calculation of Depreciation :				
Capital Expenditures re Target Reliability Plan (a/c 1070001 initially, tracked by program specific project #s)	$ 2,500,000	$ 2,750,000	$ 3,000,000	$ 3,100,000
Plant In Service Balance (a/c 1060001/1010001)	2,500,000	5,250,000	8,250,000	11,350,000
Depreciation (2.99% on a/c 365 (primary account))	74,750	156,975	246,675	339,365
Accumulated Depreciation (a/c 1080001)	74,750	231,725	478,400	817,765
Calculation of Return:				
Plant In Service Balance (a/c 1010001/1060001)	$ 2,500,000	$ 5,250,000	$ 8,250,000	$ 11,350,000
Less: Accumulated Depreciation (a/c 1080001)	74,750	231,725	478,400	817,765
Less: Accumulated Deferred Income Taxes-Plant* (a/c 2821001)	427,744	903,683	1,425,988	1,967,111
Net Rate Base	$ 1,997,506	$ 4,114,592	$ 6,345,612	$ 8,565,124
Pre-tax WACC 8.738%	$ 174,542	$ 359,533	$ 554,480	$ 748,421

* This calculation of accumulated deferred income taxes assumes 50% Bonus Tax Depreciation is available each year. The actual percentage of bonus tax depreciation, if any, will be known when the actual over/under recovery of rider costs are computed. The differences between accumulated tax depreciation on the above new distribution capital additions calculated using 50% bonus tax depreciation rates and the above accumulated book depreciation amounts were multiplied by the 35% federal income tax rate to compute the accumulated deferred income taxes shown above.

	Account	Debit (Credit)			
Regulatory Asset/(Regulatory Liability)	1823XXX/(254XXXX)	$ 3,453,539	$ (429,245)	$ 797,783	$ 592,033
Primary Cost Account	593XXXX	$ (3,453,539)	$ 429,245	$ (797,783)	$ (592,033)

Note - Over/Under recorded to the predominant account (Account 593) which provides for depreciation, expenses and return in the current month

Vegetation Management				
[redacted]	[redacted]		[redacted]	
Year	Overhead Primary	Overhead Secondary	Overhead Primary	Overhead Secondary
Year 1	$1,408,747	$351,315	$2,951,661	$736,089
Year 2	$1,436,922	$358,342	$3,010,694	$750,811
Year 3	$1,465,661	$365,508	$3,070,908	$765,827
Year 4	$1,494,974	$372,819	$3,132,326	$781,144
Year 5	$670,832	$167,293	$2,012,496	$501,879
Year 6	$684,249	$170,639	$2,052,746	$511,916
Year 7	$697,934	$174,052	$2,093,801	$522,155
Year 8	$711,892	$177,533	$2,135,677	$532,598
Year 9	$536,666	$133,834	$2,178,391	$543,250
Year 10	$547,399	$136,511	$2,221,958	$554,115
Total Spend	**$9,655,275**	**$2,407,845**	**$24,860,658**	**$6,199,783**

System Improvement				
[illegible]	[illegible]		[illegible]	
Year	**Primary**	**Secondary**	**Primary**	**Secondary**
Year 1	$921,349	$296,508	$181,168	$58,303
Year 2	$941,045	$302,846	$181,338	$58,358
Year 3	$949,947	$305,711	$181,478	$58,403
Year 4	$960,033	$308,957	$181,625	$58,450
Year 5	$4,719,353	$1,518,779	$536,561	$172,676
Year 6	$4,719,353	$1,518,779	$536,561	$172,676
Year 7	$4,719,353	$1,518,779	$536,561	$172,676
Year 8	$4,719,353	$1,518,779	$536,561	$172,676
Year 9	$4,719,353	$1,518,779	$536,561	$172,676
Year 10	$4,719,353	$1,518,779	$536,561	$172,676
Total Spend	**$32,088,494**	**$10,326,696**	**$3,944,976**	**$1,269,569**

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KPOW.93405

June 21, 2017

VIA FEDEX:
Sharla Dillon, Dockets & Records Manager
Tennessee Public Utilities 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 Sharla:

We are submitting herewith the original and four (4) copies and disk of the following which were electronically filed today:

1) Kingsport Power Company d/b/a AEP Appalachian Power's Responses to East Tennessee Energy Consumers' Discovery Requests (First Set);

2) Kingsport Power Company d/b/a AEP Appalachian Power's Responses to the Second Discovery Request of the Consumer Protection and Advocate Division.

Should there be any questions, please contact the writer.

Very sincerely yours,

HUNTER, SMITH & DAVIS, LLP

William C. Bovender

Enclosures

cc: David Foster (with enclosures)
Wayne M. Irvin, Esq. (with enclosures)
Michael J. Quinan, Esq. (with enclosures)
William K. Castle
James R. Bacha, Esq.
Brian K. West
Noelle J. Coates, Esq.
Joseph B. Harvey, Esq.

TENNESSEE PUBLIC UTILITY COMMISSION
PETITION OF Kingsport Power Company
DOCKET NO. 17-00032
Data Requests and Requests for the Production
of Documents by the East Tennessee Energy Consumers (First Set)
To Kingsport Power Company

Data Request ETEC-1:

Please provide copies of all discovery responses and information provided by the Company in this case to the Staff, Attorney General or other party. This should be considered a continuing request covering all such Kingsport responses.

Response ETEC-1:

The Company has provided or will provide to the ETEC copies of data requests of, and responses to, all parties at the time the Company responds to such requests.

TENNESSEE PUBLIC UTILITY COMMISSION
PETITION OF Kingsport Power Company
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To Kingsport Power Company

Data Request ETEC-2:

Please provide electronic copies, in excel format with all formulas intact, of each exhibit, figure and table contained in the testimony of each of the Company's witnesses.

Response ETEC-2:

Please see ETEC 1-002, Attachments 1-5, on the enclosed CD, for the requested information.

TENNESSEE PUBLIC UTILITY COMMISSION
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Data Request ETEC-3:

Please provide all supporting workpapers used to develop the exhibits and tables contained in the testimony of each of the Company's witnesses.

Response ETEC-3:

Please see the Company's response to CPAD 1-015 and CPAD 1-022.

TENNESSEE PUBLIC UTILITY COMMISSION
PETITION OF Kingsport Power Company
DOCKET NO. 17-00032
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To Kingsport Power Company

Data Request ETEC-4:

With regard to the vegetation management program, please provide, for each planned expenditure included in the Company's 10-year cost projection presented in Mr. Wright's testimony (Figure 7), an estimated breakdown of such expenditure by circuit voltage (secondary, primary), by year.

Response ETEC-4:

Please see ETEC-1-004, Attachment 1, for vegetation management planned expenditures based on circuit voltage by year.

TENNESSEE PUBLIC UTILITY COMMISSION
PETITION OF Kingsport Power Company
DOCKET NO. 17-00032
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To Kingsport Power Company

Data Request ETEC-5:

With regard to the system improvement program, please provide, for each planned expenditure included in the Company's 10-year cost projection presented in Mr. Wright's testimony (Figure 7), an estimated breakdown of such expenditure by circuit voltage (secondary, primary), by year.

Response ETEC-5:

Please see ETEC-1-005, Attachment 1, for system improvement planned expenditures based on circuit voltage by year.

TENNESSEE PUBLIC UTILITY COMMISSION
PETITION OF Kingsport Power Company
DOCKET NO. 17-00032
Data Requests and Requests for the Production
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To Kingsport Power Company

Data Request ETEC-6:

Please explain how vegetation management expenses were functionalized and allocated to rate schedules (e.g., MGS Secondary, MGS Primary, LGS Secondary, LGS Primary) in the Company's class cost of service study prepared in Docket No. 16-00001.

Response ETEC-6:

See the Company's response to ETEC 1-8.

TENNESSEE PUBLIC UTILITY COMMISSION
PETITION OF Kingsport Power Company
DOCKET NO. 17-00032
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To Kingsport Power Company

Data Request ETEC-7:

With regard to the Major Storm Expenses for the years 2009 to 2016 shown in Mr. Wright's Figure 8, please provide an estimated breakdown of these expenses by distribution voltage (secondary, primary).

Response ETEC-7:

Please see ETEC-1-007, Attachment 1, for the requested information.

TENNESSEE PUBLIC UTILITY COMMISSION
PETITION OF Kingsport Power Company
DOCKET NO. 17-00032
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Data Request ETEC-8:

Please explain how major storm expenses were functionalized and allocated to rate schedules (e.g., MGS Secondary, MGS Primary, LGS Secondary, LGS Primary) in the Company's class cost of service study prepared in Docket No. 16-00001.

Response ETEC-8:

They were functionalized to the distribution primary and distribution secondary functions; and allocated to the classes using the total overhead lines allocator.

TENNESSEE PUBLIC UTILITY COMMISSION
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DOCKET NO. 17-00032
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Data Request ETEC-9:

Please provide a description of the methodology used in Virginia and West Virginia to recover vegetation management program ("VMP") expenditures (capital and expenses) for Appalachian Power Company. Include the following information for each jurisdiction in the response: a. An explanation of whether the VMP costs are recovered in a rider or in base rates. b. If VMP costs are recovered in a rider, please explain how these costs are recovered from specific rate classes (i.e., how are the costs allocated to rate classes?).

Response ETEC-9:

a. APCo currently recovers vegetation management costs solely through base rates in Virginia. If its proposed vegetation management rate adjustment clause (VM-RAC) currently before the SCC is approved, vegetation management costs will be recovered through a combination of base rates and a rider (RAC), similar to what is proposed in this case.

APCo recovers its vegetation management costs in West Virginia solely through its VMP surcharge. The distribution costs are recovered only from distribution primary and secondary customers.

b. Costs are allocated to rate classes in Virginia and West Virginia on the basis of the total overhead lines except where excluded under the provisions in Section 56-585.1.A of the Code of Virginia.

TENNESSEE PUBLIC UTILITY COMMISSION
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Data Request ETEC-10:

With regard to Mr. Castle's testimony at page 6, lines 15-16, please confirm that no Alternative Regulatory Mechanism ("Rider") costs would be allocated to transmission voltage customers (IP-Transmission) on a cost of service basis (i.e., following cost of service principles). If this cannot be confirmed, please provide an explanation.

Response ETEC-10:

Confirmed.

TENNESSEE PUBLIC UTILITY COMMISSION
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To Kingsport Power Company

Data Request ETEC-11:

With regard to Mr. Castle's testimony at page 6, lines 15-16, please confirm that no Rider costs would be allocated to transmission voltage customers (IP-Transmission) using the Company's class cost of service methodology that was filed by the Company in the most recent base rate case. If this cannot be confirmed, please provide an explanation.

Response ETEC-11:

Confirmed.

TENNESSEE PUBLIC UTILITY COMMISSION
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Data Request ETEC-12:

With regard to Mr. Castle's testimony at page 6, lines 15-16, please confirm that the types of vegetation management and storm damage costs associated with distribution facilities (for example, primary and secondary lines) that would be recovered in the Rider would not be allocated to a transmission voltage rate class (e.g., the Company's IP-Transmission class) using: a. any class cost of service study that an AEP Operating Company has ever supported in a regulatory proceeding. b. any class cost of service methodology discussed in the NARUC Electric Utility Cost Allocation Manual. If either Part (a) or Part (b) cannot be confirmed, please provide an explanation.

Response ETEC-12:

The Company confirms this with the qualifier that it has not conducted an exhaustive search of all regulatory proceedings or all editions of the NARUC Electric Utility Cost Allocation Manual.

TENNESSEE PUBLIC UTILITY COMMISSION
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Data Request ETEC-13:

With regard to Mr. Castle's testimony at page 6, lines 15-20, does Mr. Castle agree that the Company's proposal to allocate Rider costs will have the effect of moving the rates of each of the Company's rate classes further away from cost of service? If not, please provide a complete explanation for your response.

Response ETEC-13:

For those classes whose class rate of return was above the average in the Company's last base rate proceeding, the allocation of revenue requirement for costs not attributable to a class would increase the return of that class and drive it further from cost of service, all other things being equal.

TENNESSEE PUBLIC UTILITY COMMISSION
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Data Request ETEC-14:

In the Company's base rate case filing in the last rate case (Docket No. 16-00001), the Company stated that its objective with regard to the allocation of the revenue increase to customer rate classes was to "gradually equalize the class rates of return" by realigning base rates over a six-year period (Castle Direct Testimony at page 4, Docket No. 16-00001). Please reconcile this objective with the Company's proposed allocation of Rider costs in this case.

Response ETEC-14:

The Company's proposed allocation of costs in this case is consistent with the settlement reached in its most recent base case.

TENNESSEE PUBLIC UTILITY COMMISSION
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Data Request ETEC-15:

With regard to each capital and expense amount for Year 1 and Year 2 shown in Mr. Wright's Figure 7 for Vegetation Management and System Improvement, please provide a breakdown of such amount by FERC account (for capital costs, provide the plant-in-service account number).

Response ETEC-15:

Please see the Company's response to CPAD 1-001 and CPAD 1-023.

TENNESSEE PUBLIC UTILITY COMMISSION
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Data Request ETEC-16:

Mr. Castle's testimony on page 6 at lines 16-20 states as follows: "However, given that the parties in the Company's recent base rate case agreed to allocate other distribution reliability and major storm costs among all customers, in future true-up filings, the Company proposes to allocate Rider costs to customers in the same manner that costs were allocated in its base rate case (Docket No. 16-00001)." With regard to that statement: a. Please provide the citation to the phrase "in future true-up filings" in the settlement agreement in Docket No. 16-00001. b. Explain whether it is Kingsport's position that this current case (Docket No. 17-00032) is a "true-up filing."

Response ETEC-16:

a. The Company is proposing, in this proceeding, that in future true-up proceedings, costs associated with its Targeted Reliability Program and Major Storms (TPS & MS), incremental to those already in base rates, be allocated in the same manner as agreed to by the Parties in Docket No.16-00001.

b. This current case is not a true-up filing. The Company anticipates making it's first "true-up filing" approximately 16 months after receiving approval for its TRP & MS Rider.

TENNESSEE PUBLIC UTILITY COMMISSION
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Data Request ETEC-17:

With regard to Mr. Castle's testimony on page 6 at lines 16-20, is it the Company's position in this current case that the parties to the settlement in Docket No. 16-00001 have previously agreed to the Company's proposed allocation of Rider costs? Please provide all support for the response.

Response ETEC-17:

No. Parties to Docket No. 16-00001 agreed to allocate certain "other distribution reliability and major storm costs" within base rates. The costs in the proposed TPS & MS Rider, are similar or the same in nature to those costs but incremental to the amount in base rates. The Company is proposing to allocate these incremental costs in the same manner.

TENNESSEE PUBLIC UTILITY COMMISSION
PETITION OF Kingsport Power Company
DOCKET NO. 17-00032
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Data Request ETEC-18:

With regard to the capital and expense amounts for Years 1 through 10 shown in Mr. Wright's Figure 7 for Vegetation Management and System Improvement, please provide the following: a. The total Rider revenue requirement for each of the years 1 through 10, based on such capacity and expense amounts. b. The allocated Rider revenue requirement by rate class for each of the years 1 through 10 corresponding to the total Rider revenue requirement provided in response to (a) above. c. Provide excel spreadsheets, with formulas intact, for each of the responses to parts (a) and (b) above.

Response ETEC-18:

a, b) The total and allocated revenue requirements were only calculated for year 1. An illustration was prepared for years 1 through 4 as provided in CPAD 1-1.

c) Please see the Company's response to CPAD 1-1 and CPAD 1-15.

Major Storm Expense		
Year	Total Primary	Total Secondary
2009	$ 1,461,943	$ 470,481
2010	$ 438,089	$ 140,986
2011	$ 675,402	$ 217,357
2012	$ 307,246	$ 98,878
2013	$ 1,087,592	$ 350,008
2014	$ 63,510	$ 20,439
2015	$ -	$ -
2016	$ 150,370	$ 48,392