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KPOW.94841

December 15, 2017

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

Mr. David Jones, 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/as AEP  
Appalachian Power for Approval of a Storm Damage  
Rider Tariff (Rider SDR)  
Docket No. 17-00143

Dear Chairman Jones:

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

Petition for Approval of a Storm Damage Rider Tariff (Rider SDR)

Direct Testimony of Philip A. Wright on Behalf of Petitioner Kingsport Power Company  
d/b/a AEP Appalachian Power Company

Direct Testimony of A. Wayne Allen on Behalf of Petitioner Kingsport Power Company  
d/b/a AEP Appalachian Power Company

Direct Testimony of Garry H. Simmons on Behalf of Petitioner Kingsport Power Company  
d/b/a AEP Appalachian Power Company

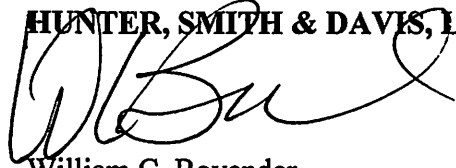
The originals and four (4) copies are being sent via Federal Express.

Also, enclosed is a check in the amount of \$25.00 for filing.

Mr. David Jones, Chairman  
Page 2  
December 15, 2017

Very sincerely yours,

**HUNTER, SMITH & DAVIS, LLP**



William C. Bovender

Enclosure: As enumerated

cc:	Kelly Grams, General Counsel (w/enc.)	<i><b>Via U.S. Mail and Email: Kelly.Grams@tn.gov</b></i>
	David Foster (w/enc.)	<i><b>Via U.S. Mail and Email: david.foster@tn.gov</b></i>
	Monica L. Smith-Ashford, Esq. (w/enc.)	<i><b>Via U.S. Mail and Email: monica.smith-ashford@tn.gov</b></i>
	Michael J. Quinan, Esq. (w/enc.)	<i><b>Via U.S. Mail and Email: mquinan@cblaw.com</b></i>
	Wayne M. Irvin, Assistant Attorney General (w/enc.)	<i><b>Via U.S. Mail and Email: wayne.irvin@ag.tn.gov</b></i>
	James R. Bacha, Esq. (w/enc.)	<i><b>Via Email: jrbacha@aep.com</b></i>

**BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION**

**NASHVILLE, TENNESSEE**

IN RE: PETITION OF KINGSPORT POWER )  
COMPANY d/b/a AEP APPALACHIAN )  
POWER FOR APPROVAL OF )  
A STORM DAMAGE RIDER TARIFF (RIDER SDR) )

DOCKET NO.: 17-\_\_\_\_\_

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**PETITION FOR APPROVAL OF A STORM DAMAGE RIDER TARIFF  
(RIDER SDR)**

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Comes Petitioner, Kingsport Power Company, d/b/a AEP Appalachian Power (herein, "KgPCo" or "Company"), and respectfully requests the Tennessee Public Utility Commission (herein, "TPUC") approve and permit KgPCo to implement a Storm Damage Rider Tariff (herein, "Rider SDR"). The purpose of this Rider SDR is to allow KgPCo to recover costs incurred as a result of a severe winter storm in January 2013 and to allow KgPCo to recover remaining unrecovered costs incurred as a result of December, 2009 winter storms.

1. It is represented that any notices or other communications with respect to this Petition be sent to the following individuals on behalf of KgPCo:

A. William C. Bovender, Esq.  
Joseph B. Harvey, Esq.  
Hunter, Smith & Davis, LLP  
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C. James R. Bacha, Esq.  
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Richmond, VA 23219-4029  
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Email: njcoates@aep.com

#### DESCRIPTION OF THE COMPANY AND JURISDICTION

2. KgPCo is a public utility with its principal office located in Kingsport, Tennessee, and is engaged in the business of distributing electric power to some 47,000 retail customers in its service area which includes the City of Kingsport, Tennessee, the Town of Mt. Carmel, Tennessee, and portions of Sullivan County, Washington County and Hawkins County, Tennessee. KgPCo's service area consists of 297 square miles; and, its distribution system includes more than 1,570 circuit miles of line. KgPCo's service area abuts in several areas the state line between Tennessee and Virginia. As a public utility operating in the electricity distribution business in Tennessee, KgPCo is subject to the regulation and supervision of TPUC.

3. Kingsport purchases all of its electric power requirements from Appalachian Power Company (herein, "APCo"), whose wholesale rates and charges are subject to the jurisdiction of the Federal Energy Regulatory Commission.

DESCRIPTION OF THE JANUARY 2013 STORM AND  
ASSOCIATED RESTORATION COSTS

4. In January 2013, specifically commencing on January 17, 2013, KgPCo's service area was struck by a severe winter storm which caused power outages to KgPCo's customers and damages to the property and equipment of KgPCo. The storm also impacted electric distribution facilities in neighboring areas of Virginia served by APCo, which like KgPCo, is an AEP Operating Company.

5. The storm was primarily a wet, heavy snowfall ranging from 5 to 12 inches of snow in Northeast Tennessee and Southwest Virginia. This snow was followed by ice and freezing rain when the temperatures dropped to 20° on January 18, 2013. By 4:00 p.m. on the initial storm date, KgPCo started receiving reports of outages. By around 6:00 p.m. that same day, the number of outages peaked, impacting around 14,600 of KgPCo's approximately 47,000 customers. Over 31% of KgPCo's customers suffered interruptions at some point during the storm. Significant outages also were incurred by adjoining APCo customers in Virginia.

6. As a result of this winter storm, KgPCo incurred incremental operation and maintenance (O&M) costs directly related to the restoration of power to its customers and the repair/replacement of damaged property and equipment that were not anticipated nor previously budgeted. Kingsport paid overtime to its employees and brought in outside contract crews to assist in power restoration and repair/replacement activities. The majority of the incremental expenses were for wages, food, lodging and transportation for contractors and workers from other companies who assisted KgPCo personnel.

7. The outside crews utilized, following an initial pre-storm assessment by KgPCo to determine the need for assistance, were from Tennessee, Alabama, South Carolina, Louisiana, and Florida. The outside crews who provided assistance to KgPCo and APCo were housed in both Virginia and Tennessee. During the restoration in Tennessee, KgPCo replaced nearly 12,000 feet of overhead conductor and associated equipment, which included 14 cutouts, 12 cross arms, 11 arresters, 10 poles, 7 transformers, and 94 insulators.

8. In September, 2013, KgPCo petitioned the then Tennessee Regulatory Authority (herein "TRA") for approval to defer incremental O&M expenses incurred in restoring service following the January, 2013 winter storm. Approval to defer those expenses was granted by the TRA on November 13, 2013 in Docket No. 13-00121.

9. In 2015, KgPCo filed a Petition seeking approval of a Storm Damage Rider Tariff (herein "SDR Tariff") by the TRA to recover those incremental expenses incurred in restoring electric service following the January, 2013 storm. That Petition, Docket No. 15-00024, also requested recovery under the proposed SDR Tariff of the remaining \$90,333 of unrecovered storm costs arising from winter storms in 2009. Recovery for \$1,629,352 had been granted by the TRA in Docket No. 12-00051; but, KgPCo under-recovered said \$90,333. In Docket No. 13-00121, the TRA approved a KgPCo request to include the \$90,333 under-recovery in the future filing to recover the January, 2013 storm damage costs.

10. The KgPCo Petition in Docket No. 15-00024 requested a total recovery for the January, 2013 storm damage costs of \$1,949,062, plus said \$90,333 related to the 2009 winter storms under-recovery.

11. Before a hearing on the merits of Docket No. 15-00024, KgPCo withdrew its Petition when the TRA Staff questioned why certain supporting documentation indicated that

some of the 2013 storm restoration costs that were included in the filing may have been incurred for restoration efforts in Virginia, which is outside of KgPCo's service area. KgPCo promptly researched the restoration expenses and determined it was appropriate to withdraw its Petition in Docket No. 15-00024. A comprehensive investigation was conducted by KgPCo to determine why certain expenses incurred in Virginia had been mistakenly recorded as KgPCo expenses. As discussed in detail in the Pre-Filed Testimony of Philip A. Wright, submitted in support of the Petition, factors found to have led to this error included the urgency of the situation, the extent of damage across the KgPCo and APCo service territories, the location of available lodging, communication issues, and insufficient information in KgPCo's internal documentation.

12. As a result of this investigation, KgPCo determined that the actual incremental expenses incurred to restore service to KgPCo's customers following the January, 2013 storm were \$1,415,021, which is broken down as follows:

<b>KgPCo Incremental O&amp;M Costs January 2013 Storm</b>	
<b>Cost Category</b>	<b>Total</b>
Internal Overtime Labor	\$138,019
Outside Services	\$1,112,113
Material	\$1,490
Other	\$163,399
<b>Total</b>	<b>\$1,415,021</b>

As such, KgPCo seeks to recover \$1,415,021 for incremental storm costs incurred as a result of the January, 2013 severe winter storm as opposed to the \$1,949,062 sought initially in Docket

No. 15-00024, a difference of \$534,041 in expenses, which were reclassified and removed from the KgPCo Deferred Storm Expense Account 1823078.

13. Also as outlined in Mr. Wright's Pre-Filed Testimony, KgPCo took significant remedial action to identify the reasons for the errors; and, KgPCo has implemented a number of process improvements and enhanced safeguards so as to prevent said errors in the future.

UNDER RECOVERY OF RESTORATION COSTS RELATED TO THE  
DECEMBER 2009 STORMS

14. As mentioned hereinabove, KgPCo was authorized to recover incremental storm costs incurred as a result of the winter storms in 2009. The total amount authorized to be recovered was \$1,629,352, of which \$90,333 remains unrecovered. As discussed, KgPCo requested it be allowed to include the \$90,333 under-recovery in its future recovery filing for the 2013 storm restoration costs, which resulted in Docket No. 15-00024, which was subsequently withdrawn by KgPCo.

15. As such, the total amount of recovery sought in the Petition, to be recovered by way of the proposed Rider SDR is \$1,505,354. KgPCo proposes Rider SDR remain in effect over a 24 month period. Any resulting over/under collections would be reported to the TPUC Staff and addressed at the end of the 24 month recovery period. .

16. KgPCo proposed that Rider SDR only apply to customer rate classes served at secondary or primary voltages. Transmission voltage level customers would not be assigned any costs because both 2009 and 2013 storm costs for KgPCo were all distribution related. In Docket No. 12-00051 TRA approved as "distribution related" the recovery of \$1,629,352 related to the 2009 storm. KgPCo proposes to use the same allocation methodology in the 2013 storm cost recovery as approved by the TRA in Docket No. 12-00051.



17. The impact of Rider SDR on all customers to whom the Rider SDR would apply will be an average annual increase of approximately 0.71%. For residential customers, using 1000 kwh per month, the average bill is \$91.88, as of November 10, 2017. That would increase on a monthly basis for the duration of the Rider by \$0.77, assuming the Rider SDR is approved.

18. Because of TPUC's approval on August 15, 2017 in Docket No. 17-00032 of KgPCo's Targeted Reliability Plan and Major Storm (TRP & MS) Rider, there will be no need to file separate Petitions for storm damage recovery in the future.

#### RELIEF REQUESTED

19. This Petition is filed pursuant to the Rules and Regulations of TPUC, Sections 1220-4-1-.02, 1220-4-1-.03, and 1220-4-1-.05. KgPCo is requesting approval of Rider SDR to recover KgPCo's incremental O&M expenses (as revised) attributable to the January 2013 winter storms and the remaining unrecovered balance from the December 2009 storms. The Rider SDR establishes a rate to recover the deferred and revised storm restoration costs over a 24 month period, effective on a service rendered basis on and after the first billing cycle 30 days following TPUC's approval of Rider SDR. The Rider SDR Rate would apply to all retail customer rate classes except for Industrial Power-Transmission. A calculation will be made to true-up the amount that is over-or under-recovered for the 24 month recovery period. Any material over-under recovery will be addressed by KgPCo with the TPUC.

In support of this Petition, KgPCo submits the following:

1. Direct Testimony of Philip A. Wright;
2. Direct Testimony of A. Wayne Allen;
3. Direct Testimony of Garry H. Simmons;

4. The following EXHIBITS:

- KgPCo EXHIBIT No. 1 (PAW): Storm Background, Process Improvements, and Enhanced Safeguards;
- KgPCo EXHIBIT No. 2 (PAW): Enhanced Crew Time and Lodging Verification Sheets
- KgPCo EXHIBIT No. 1(GHS): Supporting Work Paper for the Development of Rider SDR;
- KgPCo EXHIBIT No. 2 (GHS): Tariff (Rider SDR);
- KgPCo EXHIBIT No. 3 (GHS): Typical Bill Comparison; and
- KgPCo EXHIBIT No. 4 (GHS): Required Public Notice

Mr. Wright's Direct Testimony provides a detailed description of the January 2013 storm, preparations undertaken by KgPCo in advance, restoration procedures, how discrepancies in the costs KgPCo sought to recover in Docket No. 15-00024 were addressed, and what remedial measures, to ensure no further problems in the future, have been implemented. Mr. Allen's Direct Testimony identifies the level of storm costs deferred on KgPCo's books related to the 2013 and 2009 storms which KgPCo seeks to recover, describes the reclassification of certain deferred 2013 storm costs in 2015 for the reasons explained by Mr. Wright, and describes the accounting for the amortization of deferred storm costs as the costs are collected over the period. Mr. Simmons' Direct Testimony supports the development of the proposed Tariff, Rider SDR and sponsors the proposed tariff sheet. The NOTICE TO PUBLIC, KgPCo EXHIBIT No. 4 (GHS) is the proposed notice to be published in the Kingsport Times-News, the newspaper of general circulation in KgPCo's service area.

WHEREFORE, KgPCo respectfully prays that TPUC issue an Order approving the Tariff, Rider SDR discussed in this Petition.

Respectfully submitted this the 15<sup>th</sup> day of December, 2017.

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

By: 

William C. Bovender, Esq.

Joseph B. Harvey, Esq.

**HUNTER, SMITH & DAVIS, LLP**

PO Box 3740

Kingsport, TN 37665

Ph: (423) 378-8858

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that the foregoing **PETITION FOR APPROVAL OF A STORM DAMAGE RIDER (RIDER SDR)** has been served by mailing a copy of same by United States mail, postage prepaid, and Email, to below on this the 15<sup>th</sup> day of December, 2017, as follows:

Kelly Grams, General Counsel  
Tennessee Public Utility Commission  
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**HUNTER, SMITH & DAVIS, LLP**

By: 

William C. Bovender

## **Background of the 2013 Tennessee Storm and Audit Recommendations for Process Improvements & Enhanced Safeguards**

### **BACKGROUND**

Kingsport Power Company (Kingsport) and Appalachian Power Company (APCO) experienced a storm in January 2013 that resulted in storm restoration costs of approximately \$2.5 million. The storm impacted the Kingsport District which includes distribution assets in both Virginia and Tennessee that are owned by APCO and Kingsport, respectively. In 2015, Kingsport included these storm costs for recovery in a rate filing with the Tennessee Commission; however, the filing was subsequently withdrawn by Kingsport when some of these costs were questioned by the Commission and research by the company revealed that costs actually incurred for storm repairs in Virginia were included in the Tennessee filing.

Appalachian Power Company (APCO) operates the Kingsport electrical system and requested that Audit Services review the process related to the accounting for storm related costs. APCO management has since assembled a team to study and improve the process of accounting for storm related costs. The observations identified by Audit Services during the course of this review will be addressed by this team.

### **OBJECTIVE**

Perform a consulting review of the Kingsport District's process to account for storm costs and identify internal control enhancements to help ensure storm costs are recorded to the correct jurisdiction.

### **SCOPE**

The scope of the review included an internal controls review of the current processes utilized to account for storm related costs in state-border locations including pre-storm accounting preparation, monitoring of internal and external crew activities, and post-storm accounting reviews.

### **INTERNAL CONTROL OBSERVATIONS**

#### **1. Storm Work Order Procedure – Pre-Storm Accounting Preparation**

A Storm Work Order Procedure, dated February 1, 2011, has been established by Property Accounting to account for major storm-related expenditures over \$1million. The purpose of this procedure is to detail the field review and documentation for Distribution Storm Work Orders for the AEP System.

**Observation** – The Storm Work Order Procedure does not address the proper separation and accounting for major storm-related costs between state and/or operating company boundaries.

**Recommendation** – APCO management will contact AEP Property Accounting and request that the current Storm Work Order Procedure be expanded to incorporate requirements for properly segregating major storm costs between borderline work locations to ensure that storm costs are accurately charged and receive proper accounting.

**APCo Action** – *APCo Management worked with AEP Property Accounting to revise and expand the Storm Work Order Procedure by adding the following additional requirement to the policy.*

When a major storm occurs in a region that encompasses multiple states or jurisdictions, it is necessary to initiate separate major storm work orders and projects for each state or jurisdiction affected. Major storm costs may be included in rate filings with state commissions, so it is essential that all major storm costs are reported on the appropriate major storm work order, by state or jurisdiction.

#### **2. Contract Crew Time Sheets**

Contractor time sheets are used to record the actual time worked for each contract employee, as well as equipment usage hours, and they are approved by the crew foreman and also approved and dated by an AEP line inspector.

**Observation** – Although all contractors monitored each crew members' time for the January 2013 storm, IRBY Construction's time sheets did not contain a field to identify the work locations of each contract employee.

**Recommendation** – APCO management will develop a time-keeping process that provides more-specific direction to contractors regarding information that is required on their time sheets and will require that all contractors more-closely monitor and report crew work locations on their time sheets.

**APCo Action** – *APCo has developed a process using a revised Crew Time & Lodging Verification Sheet that provides more specific direction to Guides and contractors on what information is needed to properly account for crew time and their lodging. This sheet includes room to record Contractor Name, Supervisor Name and APCo Crew Guide. It also includes the APCo Work Order and Billing Information, space for each Crew Member to provide the location (including jurisdiction) and hours worked by day. The sheet also allows the Guide to record vehicle information, confirm release date and time along with space to record lodging location (including jurisdiction). Lastly, the form includes space to record meal information.*

### 3. Crew Time Verification Sheets

Crew Time Verification spreadsheets are sporadically used by Kingsport Crew Guides to validate the actual contract crew time sheets. The spreadsheets contain fields for entering the work district, work location, employee number, names, and titles for each crew member on the job, work day of the week, total number of hours worked for each crew member, the contractor name and Kingsport billing information (work request, work order, account numbers, etc.).

**Observation** – Crew Time Verification sheets are not required to be completed by the Crew Guides. Also, Crew Time Verification sheets contain only one field for the work district and one for the work location.

**Recommendation** – APCO management will require that Crew Guides complete the Crew Time Verification Sheets, and/or other applicable forms, to identify when work locations are not reported on time sheets and to quickly identify and record the proper time keeping information. APCO management will also consider revising the Crew Time Verification sheets to include additional fields for recording time spent at various bordering work locations.

**APCo Action** – *As stated in the response above, APCo has developed a process using a revised Crew Time & Lodging Verification Sheet that provides more specific direction to Guides and contractors on what information is needed to properly account for crew time and their lodging. APCo Crew Guides are required to complete this form which includes the location (jurisdiction) to be recorded for each day worked. The form has been revised to allow for reporting work in multiple jurisdictions if necessary.*

### 4. Kingsport Crew Guide Responsibilities

Crew Guides are sent out on jobs with the contract crews to supervise, coordinate, and direct the crews to their work locations.

**Observation** – Crew Guides may be assigned to multiple contract crews and can't constantly follow and monitor each contract crew during storm related work. In addition, the work experience and skills of Crew Guides may vary significantly (e.g., management, engineering, meter readers, etc.) which may create potential time reporting issues when contract crews are working in multiple locations.

**Recommendation** – APCO management will provide the necessary training and more-effectively communicate the expectations required of Crew Guides. APCO management will also assign Crew

Guides based on work scope complexity taking into account whether work scope spans jurisdictional boundaries.

**APCo Action** – *APCo developed a team of subject matter experts who revised our existing Crew Guide Training to include specific requirements for properly recording the jurisdictional information each day they work. Both the Crew Guide Training and the Crew Guide Manual have been revised to include this new information. APCo has trained employees who typically guide crews during restoration events. This training was completed by August 1, 2016 as previously committed. In addition, if other employees are needed to guide crews, this training can be utilized prior to assigning the employee as a Crew Guide. During future restoration events, APCo leadership will consider the jurisdictional boundaries when assigning employee to guide crews.*

**5. Storm Work Order Procedure - Post-Storm Accounting Review**

AEP Property Accounting has established a Storm Work Order Procedure to “detail field review and documentation for Distribution Storm Work Orders for the AEP System. Since the split between capital and expense is not immediately known, a review of storm-related work orders is required to verify the appropriate classification of expenditures between expense and capital. The procedure is intended for major storms with expenditures over \$1million.”

**Observation** – Per the Storm Work Order Procedure, although “a review of storm-related work orders is required to verify the appropriate classification of expenditures between expense and capital,” the procedure could be enhanced to require a post-storm review of work order charges to ensure they are charged to the correct operating company or jurisdiction.

**Recommendation** – Management will contact AEP Property Accounting and request procedural updates to strengthen in the Storm Work Order procedure. Management will also consider post-storm audits of contractor invoices to ensure they contain enough detail to support any future commission filings.

**APCo Action** – *APCo Management worked with AEP Property Accounting to revise and expand the Storm Work Order Procedure by adding the following additional requirement to the Monitoring Work Order section of the policy.*


Additionally, all major storm work orders for storms occurring in a region that encompasses multiple states or jurisdictions should be reviewed to ensure that all costs incurred are recorded appropriately. It is essential that all major storm costs are recorded on the appropriate major storm work order, by state or jurisdiction. The JE Classification Correction process should be utilized for any reclassifications that may be required to move charges to the correct state or jurisdiction, as a result of this review.





## Crew Lodging Verification Form

### CREW LODGING VERIFICATION

 <b>APPALACHIAN POWER</b> A unit of American Electric Power		Date <input style="width: 100px;" type="text"/> to <input style="width: 100px;" type="text"/>	
RETURN TO LINE / FORESTRY REPRESENTATIVE			
District	<input style="width: 100%;" type="text"/>	Work Location	<input style="width: 95%;" type="text"/>
			city and state
Hotel	<input style="width: 100%;" type="text"/>	Hotel Location	<input style="width: 95%;" type="text"/>
			city and state

Emp #	Employee Name	Date	Sat	Sun	Mon	Tues	Wed	Thur	Fri	Cell Number
		Room #								
GF										
Name of Contractor Company			City & State where this contract crew traveled from.							

### Reminders

- Work week begins on Saturday and ends on Friday; a new book will be required for each work week.
- A new book will be required when you change jurisdictions/states.
- Only one crew per book, do not list multiple crews.

**Kingsport Power Company**  
**Calculation of Demand Allocation Factors**  
**Storm Damage Rider**

**Recovery Amount = \$1,505,354**

**Demand Allocation Factors**

<b>Class</b>	<b>2013 12 NCP Average Peak Load (MW)</b>	<b>2012 Loss Factor</b>	<b>Adjusted Load (to Transmission</b>		<b>2013 Allocation</b>	<b>Demand Allocation \$</b>
Residential	306	1.05597	323		71.71%	\$1,079,424
SGS	6	1.05597	6		1.41%	\$21,165
MGS	32	1.05597	34		7.50%	\$112,881
LGS	48	1.05597	51		11.25%	\$169,321
IP - Pri	9	1.02602	9		2.05%	\$30,847
EHG	8	1.05597	8		1.87%	\$28,220
CS	5	1.05597	5		1.17%	\$17,638
PS	10	1.05597	11		2.34%	\$35,275
OL	3	1.05597	3		0.70%	\$10,583
<b>Total</b>	<b>427</b>		<b>451</b>		<b>100%</b>	<b>\$1,505,354</b>

**Kingsport Power Company**  
**Calculation of Storm Damage Rider (SDR) Factors**  
**Storm Damage Rider**

**Recovery Amount = \$1,505,354**

**Determination of SDR Factors**

<b>Class</b>	<b>Demand Allocation \$</b>	<b>Metered kWh 2013</b>	<b>Annual SDR Factor (\$/kWh)</b>	<b>24 Month SDR Factor (\$/kWh)*</b>	<b>Number of Lamps</b>	<b>2013 Billing Demand kW</b>	<b>Annual SDR Factor (\$/kW) (or \$/Lamp)</b>
Residential	\$1,079,424	691,036,589	0.00156	0.00078			
SGS	\$21,165	21,193,777	0.00100	0.00050			
MGS	\$112,881	107,693,050	0.00105	0.00052			
LGS	\$169,321					700,753	0.2416
IP - Pri	\$30,847					175,813	0.1755
EHG	\$28,220	26,480,603	0.00107	0.00053			
CS	\$17,638	9,831,595	0.00179	0.00090			
PS	\$35,275	28,611,892	0.00123	0.00062			
OL	\$10,583				5,439		0.1621
<b>Total</b>	<b>\$1,505,354</b>						

**KINGSPORT POWER COMPANY**  
**d/b/a AEP APPALACHIAN POWER**  
**Kingsport, Tennessee**

**Revised Sheet No. 20**  
**T.R.A. Tariff Number 2**

**STORM DAMAGE RIDER**

1. Surcharge

Pursuant to the provisions of this Rider, a Storm Damage Rider surcharge will be applied to each kilowatt-hour, kilowatt or lamp as billed under the Company's filed tariffs.

The Storm Damage Rider surcharge applicable to each tariff is set below:

<u><b>Tariff</b></u>	<u><b>Energy Rate</b></u> <u><b>(\$) / KWH</b></u>	<u><b>Demand Rate</b></u> <u><b>(\$) / KW</b></u>	<u><b>Lamp Rate</b></u> <u><b>(\$) / Lamp</b></u>
RS	.00078	--	--
SGS	.00050	--	--
MGS	.00052	--	--
EHG	.00053	--	--
CS	.00090	--	--
PS	.00062	--	--
LGS	--	.1208	--
IP-PRI	--	.0877	--
IP-TRANS	--	--	--
OL	--	--	.0811

Issued: \_\_\_\_\_  
By: Chris Beam, President

Effective: \_\_\_\_\_  
Pursuant to an Order in  
Docket No.: 17-\_\_\_\_\_