

**IN THE TENNESSEE PUBLIC UTILITY COMMISSION  
AT NASHVILLE, TENNESSEE**

**IN RE:**

**PETITION OF KINGSFORT POWER  
COMPANY d/b/a AEP APPALACIAN  
POWER FOR APPROVAL OF A  
STORM DAMAGE RIDER TARIFF  
(RIDER SDR)**

**DOCKET NO. 17-00143**

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**PETITION TO INTERVENE**

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Herbert H. Slatery III, Attorney General and Reporter for the State of Tennessee, by and through the Consumer Protection and Advocate Division of the Office of the Attorney General (Consumer Advocate), pursuant to Tenn. Code Ann. § 65-4-118, respectfully petitions the Tennessee Public Service Commission (TPUC) to grant the Consumer Advocate's intervention into this proceeding because consumers' interests, rights, duties or privileges may be determined or affected by the *Petition of Kingsport Power Company d/b/a AEP Appalachian Power for Approval of a Storm Damage Rider Tariff (Riders SDR) (Petition)* filed in this TPUC Docket by Kingsport Power Company d/b/a Appalachian Power (Kingsport). For cause, the Consumer Advocate would show as follows:

1. The Consumer Advocate is authorized by Tenn. Code Ann. § 65-4-118 to represent the interests of Tennessee consumers of public utilities services by initiating and intervening as a party in any matter or proceeding before the Commission in accordance with the Uniform Administrative Procedures Act, Tenn. Code Ann. § 4-5-101 *et seq.*, and Commission rules.

2. Kingsport is a public utility regulated by the TPUC and provides electric power distribution service to approximately 47,000 customers in Tennessee.<sup>1</sup> All of Kingsport's electric power requirements are purchased from Appalachian Power Company.<sup>2</sup> The Utility's principal office is located in Kingsport, Sullivan County, Tennessee.

3. On December 15, 2017, Kingsport filed the *Petition*, in which Kingsport requests approval to implement a Storm Damage Rider Tariff (Rider SDR).<sup>3</sup>

4. Kingsport asserts that the purpose of the proposed Rider SDR is to allow recovery of incremental costs incurred by it as a result of a severe winter storm in January 2013<sup>4</sup> and to allow recovery for the remaining unrecovered costs incurred as a result of the December, 2009 winter storms.<sup>5</sup>

6. Kingsport has previously filed a Rider SDR Petition with TPUC for the January 2013 winter storm. Kingsport filed this Petition on February 19, 2015 in TPUC Docket No. 15-00024 (2015 Petition).<sup>6</sup> In addition to the 2013 winter storm costs, Kingsport sought to recover 2009 storm costs that were under-recovered after its true-up from Docket No. 12-00051.<sup>7</sup>

7. However, prior to a hearing on the 2015 Petition, Kingsport withdrew its Petition due to questions regarding documentation on costs.<sup>8</sup> Specifically, questions on the inclusion of

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<sup>1</sup> *Petition* at page 2, paragraph 2.

<sup>2</sup> Kingsport states that Appalachian Power Company's rates and charges are subject to the jurisdiction of the Federal Energy Regulatory Commission. *Petition*, page 3, paragraph 3.

<sup>3</sup> *Petition* at page 1.

<sup>4</sup> *Id.* Previously on November 12, 2013 in Docket No. 13-00121, TPUC granted its approval of Kingsport's Petition for deferred accounting of these incremental storm for the January 2013 winter storm. *Order Granting Deferred Accounting, In Re: Petition of Kingsport Power Company d/b/a AEP Appalachian Power for Approval of Deferred Accounting*, TPUC Docket No. 13-00121 (Nov. 13, 2013).

<sup>5</sup> *Petition* at page 1. On October 16, 2014 in Docket No. 12-00051, TPUC approved Kingsport's request for the deferral of the under-recover of \$90,333.28 related to the 2009 storm costs that were partially collected through the SDR Tariff previously approved on November 28, 2012. *Order Approving Unrecovered Amount of Storm Damage Cost, In Re: Petition of Kingsport Power Company d/b/a AEP Appalachian Power for Approval of Deferred Accounting*, TPUC Docket No. 12-00051 (Oct. 16, 2014).

<sup>6</sup> *Id.* at page 4, paragraph 9.

<sup>7</sup> *Id.*

<sup>8</sup> *Petition* at pages 4-5, paragraph 11.

costs for storm damage activities in Virginia which are outside the Kingsport service area.<sup>9</sup> TPUC granted the *Motion to Withdraw for Approval of a Storm Damage Tariff Rider without Prejudice for Later Refiling* on November 16, 2015.<sup>10</sup>

8. In this current *Petition*, Kingsport is seeking to recover \$1,415,021 of incremental storm costs as a result of the January 2013 severe winter storm.<sup>11</sup> In addition to this amount, Kingsport is seeking recovery of \$90,333 of under-recovered 2009 storm costs.<sup>12</sup> The net total of the 2013 storm costs and the under-recovered 2009 storm costs are \$1,505,354.

9. Kingsport proposes the Rider SDR be applied to customer classes served at secondary and primary voltage, and remain in effect for a 24 month period.<sup>13</sup> At the end of the 24 month period, any over/under collections will be reported to TPUC and addressed accordingly.<sup>14</sup>

10. Kingsport states that the impact of the Rider SDR on affected customers will be approximately 0.71%.<sup>15</sup> Kingsport estimates the impact for a residential customer using 1000 kWh per month would have an increase of \$0.77 to his/her average bill of \$91.88.<sup>16</sup>

11. In a previous docket regarding deferral of storm costs by Kingsport, TPUC explicitly stated that the deferral of such costs “does not equate to a determination that the Company will be allowed to recover such costs when they are considered by the Authority

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<sup>9</sup> *Id.*

<sup>10</sup> *Order Granting Motion to Withdraw Petition, In Re: Petition of Kingsport Power Company d/b/a AEP Appalachian Power for Approval of Storm Damage Rider Tariff*, TPUC Docket No. 15-00024 (Nov. 16, 2015).

<sup>11</sup> *Petition* at 5, paragraph 12. In the 2015 Docket, Kingsport was seeking \$1,949,062 in storm damage costs. This is a difference of \$534,041 from the recovery of costs initially sought in the 2015 Docket to this current Docket. *Id.*

<sup>12</sup> *Petition* at 6, paragraph 14.

<sup>13</sup> *Id.* at 6, paragraphs 15-16. Kingsport excludes transmission voltage level customers from the proposed SDR Rider because Kingsport states the 2009 and 2013 storm costs were “all distribution related.” *Id.*

<sup>14</sup> *Id.* at 6, paragraph 15.

<sup>15</sup> *Id.* at 7, paragraph 17.

<sup>16</sup> *Id.*

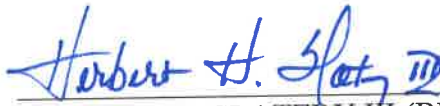
(sic).”<sup>17</sup> In addition, TPUC warned Kingsport to “keep sufficient and appropriate financial records and documentation supporting any future request for recovery of the [deferred] costs.”<sup>18</sup> Therefore, recovery of the storm damage costs requested in the current *Petition* is not automatic. Consumers have an interest in knowing whether the recovery of the storm damage costs from 2009 and 2013 is justified and the Consumer Advocate is entitled to represent that interest.

12. The interests of consumers, including without limitation, the proposed increase in rates to be paid by Kingsport’s consumers under the *Petition* may be affected by determinations and orders made by TPUC in this matter.

13. Only by participating as a party in this Docket can the Consumer Advocate adequately carry out its statutory duty to represent the interests of Tennessee consumers.

WHEREFORE, Petitioner respectfully asks the Commission to grant this *Petition* to Intervene.

RESPECTFULLY SUBMITTED,



HERBERT H. SLATTERY III (BPR #09077)  
Attorney General and Reporter  
State of Tennessee



KAREN H. STACHOWSKI (BPR #019607)  
Assistant Attorney General  
Office of the Tennessee Attorney General  
Public Protection Section  
Consumer Protection and Advocate Division  
P.O. Box 20207  
Nashville, Tennessee 37202-0207  
Phone: (615) 741-2370  
Fax: (615) 532-2910  
Email: karen.stachowski@ag.tn.gov

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<sup>17</sup> *Order Granting Deferred Accounting*, page 3, TPUC Docket No. 13-00121 (Nov. 13, 2013).

<sup>18</sup> *Order Approving Request to Defer Storm Cost*, page 2, TPUC Docket No. 13-00121 (Nov. 13, 2013).

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served via U.S. Mail or electronic mail upon:


William C. Bovender, Esq.  
Joseph B. Harvey, Esq.  
Hunter, Smith & Davis, LLP  
P.O. Box 3740  
Kingsport, TN 37665  
Phone: 423-378-8858  
Fax: 423-378-8801  
Email: [Bovender@hsdlaw.com](mailto:Bovender@hsdlaw.com)

Philip A. Wright  
American Electric Power Service Corporation  
500 Lee Street, Suite 800  
Laidley Tower  
Charleston, WV 25301  
Email: [pawright@aep.com](mailto:pawright@aep.com)

James R. Bacha, Esq.  
American Electric Power Service Corporation  
1 Riverside Plaza  
Columbus, OH 43215  
Phone: 615-716-1615  
Fax: 614-716-2950  
Email: [jrbacha@aep.com](mailto:jrbacha@aep.com)

Noelle j. Coates, Senior Counsel  
American Electric Power Service Corporation  
Three James Center  
Suite 110 1051 E. Cary Street  
Richmond, VA 23219-4029  
Phone: 804-698-5541  
Email: [njcoates@aep.com](mailto:njcoates@aep.com)

This the 8<sup>th</sup> day of January 2018.

  
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Karen H. Stachowski