

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@hsdlaw.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 Raiston Mancil
Caroline Ross Williams
Marcy E. Walker
Karen L. Kane
Matthew F. Bettis
Sarah E. Blessing
Teresa Mahan Lesnak *
Michael A. Eastridge *
Jeannette Smith Tysinger *

*Of Counsel
www.hsdlaw.com

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May 18, 2018

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

Dear Chairman Jones:

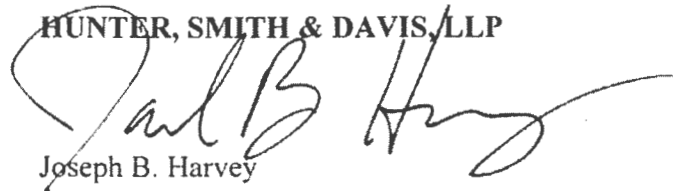
On behalf of Kingsport Power Company, we transmit herewith the following PUBLIC and CONFIDENTIAL Responses to Data Requests and Requests for Production of Documents of The Consumer Protection and Advocate Division of the Attorney General's Office Third Set 3-001 to 3-004.

The Confidential Disc should be filed under seal per the Protective Order. The Public Disc can be utilized on the website. Copies of the Responses and Confidential Disc are also being served on the Consumer Advocate and Counsel for East Tennessee Energy Consumers.

The original and four copies of the Responses and two CDs are being sent via Federal Express.

Very sincerely yours,

HUNTER, SMITH & DAVIS, LLP



Joseph B. Harvey

Enclosure: As stated

Mr. David Jones, Chairman
Page 2
May 18, 2018

cc: Kelly Grams, General Counsel (w/enc.) *Via U.S. Mail and Email: Kelly.Grams@tn.gov*
David Foster (w/enc.) *Via U.S. Mail and Email: david.foster@tn.gov*
Monica L. Smith-Ashford, Esq. (w/enc.) *Via U.S. Mail and Email: monica.smith-ashford@tn.gov*
Michael J. Quinan, Esq. (w/enc.) *Via U.S. Mail and Email: mquinan@cblaw.com*
Karen H. Stachowski, Assistant Attorney General (w/enc.) *Via U.S. Mail and Email: Karen.Stachowski@ag.tn.gov*
James R. Bacha, Esq. (w/enc.) *Via Email: jrbacha@aep.com*

**TENNESSEE PUBLIC UTILITY COMMISSION
PETITION OF
Kingsport Power Company
DOCKET NO. TPUC 17-00143
Data Requests and Requests for the Production
of Documents by the THE CONSUMER PROTECTION AND ADVOCATE DIVISION OF
THE ATTORNEY GENERAL'S OFFICE
CPAD's Third Set
To Kingsport Power Company**

Data Request 3-001:

Refer to "Staff_1-3_Attachment_1.xlsx" provided in response to TPUC Staff's Discovery Request 3. Specifically, refer to rows 6, 7, 8, 12 and 14. Provide the following information:

- (a) Explain how an employee classified as exempt would be eligible for overtime compensation.
- (b) Specify the type of employees represented by these charges?
- (c) At what rate is this Overtime calculated at?

Response 3-001:

a. Kingsport, along with other AEP operating companies, maintains an exempt overtime policy for certain of their exempt employees who are sometimes required to put in extraordinary hours due to such things as major service restoration (e.g. from storm damage), other unplanned and planned outages, and unusual peak work loads. The overtime required is beyond the uncompensated overtime that would normally be expected and associated with the position. As a policy decision, the Company has decided – in specified situations that are not the “norm” - to pay these individuals a straight-time overtime rate (based on their salary) for those hours exceeding 40, 45 or 50 (depending on the particular exempt position). See CPAD 3-001, Attachment 1 on the enclosed CD for a complete copy of the Exempt Overtime Plan in effect in 2013, relevant portions of which were provided in the Company’s response to CPAD 1-1. Each of the individuals covered by the Plan meets the definition of a “managerial” employee under the FLSA.

b. The exempt AEP operating company employees that received the major storm restoration (MSR) overtime compensation listed on rows 6, 7, 8, 12, 13 and 14 of Staff 1-3, Attachment 1, met the criteria for, and were paid in accordance with, the overtime policy included in the response to CPAD 3-1. Exempt employees were from Kingsport and two other AEP operating companies that sent employees to help with service restoration in KgPCo’s service territory. In total, 20 AEP operating company exempt employees received overtime for 483 hours of overtime worked. The types of employees that received straight-time overtime compensation are listed below:

Dispatch employees – These employees dispatched the outages to the local crews and directed any switching of the Company’s facilities.

Inspectors and Line Coordinators – These employees oversaw the activities of both the contract and company crews respectively that were restoring service.

Engineers – These employees were involved in both local dispatching, as well as reviewing loading of facilities as service was being restored.

Technologists – These employees assessed the outages in the field and determined what would be required to restore service before dispatching physical crews to the outage location.

Managers and Supervisors – These employees managed the recovery effort in the areas of dispatch, support and the local (Kingsport) district, or supervised the recovery effort with regard to both the contract and company crews.

c. When the 2013 winter storm was declared a major service restoration effort, the MSR pay provisions became effective:

a. Employees in salary grade 1-16 positions were paid overtime for hours worked in excess of 40 hours in a work week at a straight-time rate.

b. Employees in salary grade 17-20 positions were paid overtime for hours worked in excess of 45 hours in a work week at a straight-time rate.

c. Employees in salary grade 21-28 positions were paid overtime for hours worked in excess of 50 hours in a work week at a straight-time rate.

The compensatory exempt overtime amounts listed on rows 6, 7, 8, 12, 13 and 14 of Staff 1-3, Attachment 1 reflect employees' straight-time overtime rates for the appropriate number of hours.

**TENNESSEE PUBLIC UTILITY COMMISSION
PETITION OF
Kingsport Power Company
DOCKET NO. TPUC 17-00143
Data Requests and Requests for the Production
of Documents by the THE CONSUMER PROTECTION AND ADVOCATE DIVISION OF
THE ATTORNEY GENERAL'S OFFICE
CPAD's Third Set
To Kingsport Power Company**

Data Request 3-002:

Provide an Income Statement for Kingsport by Account for the years 2016 and 2017.

Response 3-002:

Please refer to CPAD 3-002 Attachment 1.xlsx.xls on the enclosed CD for the Income Statement for Kingsport by Account for the years 2016 and 2017.

**TENNESSEE PUBLIC UTILITY COMMISSION
PETITION OF
Kingsport Power Company
DOCKET NO. TPUC 17-00143
Data Requests and Requests for the Production
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THE ATTORNEY GENERAL'S OFFICE
CPAD's Third Set
To Kingsport Power Company**

Data Request 3-003:

Provide a Trial Balance for Kingsport by Account for the following periods:

- (a) December 31, 2016
- (b) November 30, 2017
- (c) December 31, 2017

Response 3-003:

Please refer to the following Attachments on the enclosed CD for the Trial Balance for Kingsport by Account for the following periods:

- (a) December 31, 2016 CPAD 3-003(a) Attachment 1.xlsx.xls
- (b) November 30, 2017 CPAD 3-003(b) Attachment 1.xlsx.xls
- (c) December 31, 2017 CPAD 3-003(c) Attachment 1.xlsx.xls

**TENNESSEE PUBLIC UTILITY COMMISSION
PETITION OF
Kingsport Power Company
DOCKET NO. TPUC 17-00143
Data Requests and Requests for the Production
of Documents by the THE CONSUMER PROTECTION AND ADVOCATE DIVISION OF
THE ATTORNEY GENERAL'S OFFICE
CPAD's Third Set
To Kingsport Power Company**

Data Request 3-004:

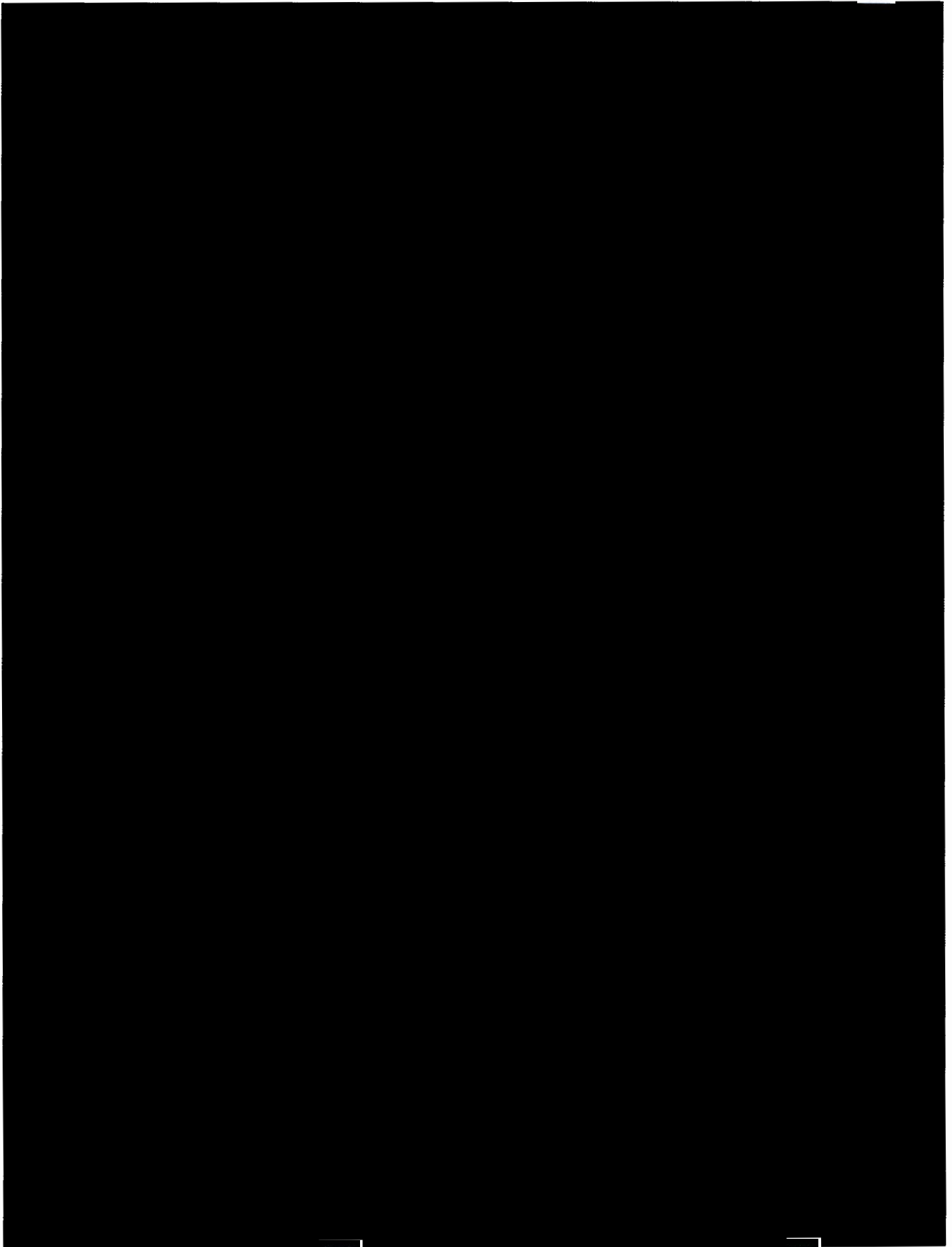
Identify, if possible, how Income Tax Expense was apportioned to customer classes in the last Kingsport rate case.

Response 3-004:

Current Federal income tax expense was allocated to the customer classes based upon pre-tax operating income by class. Current year deferred Federal income tax expense was allocated to the customer classes based on the net plant allocator.

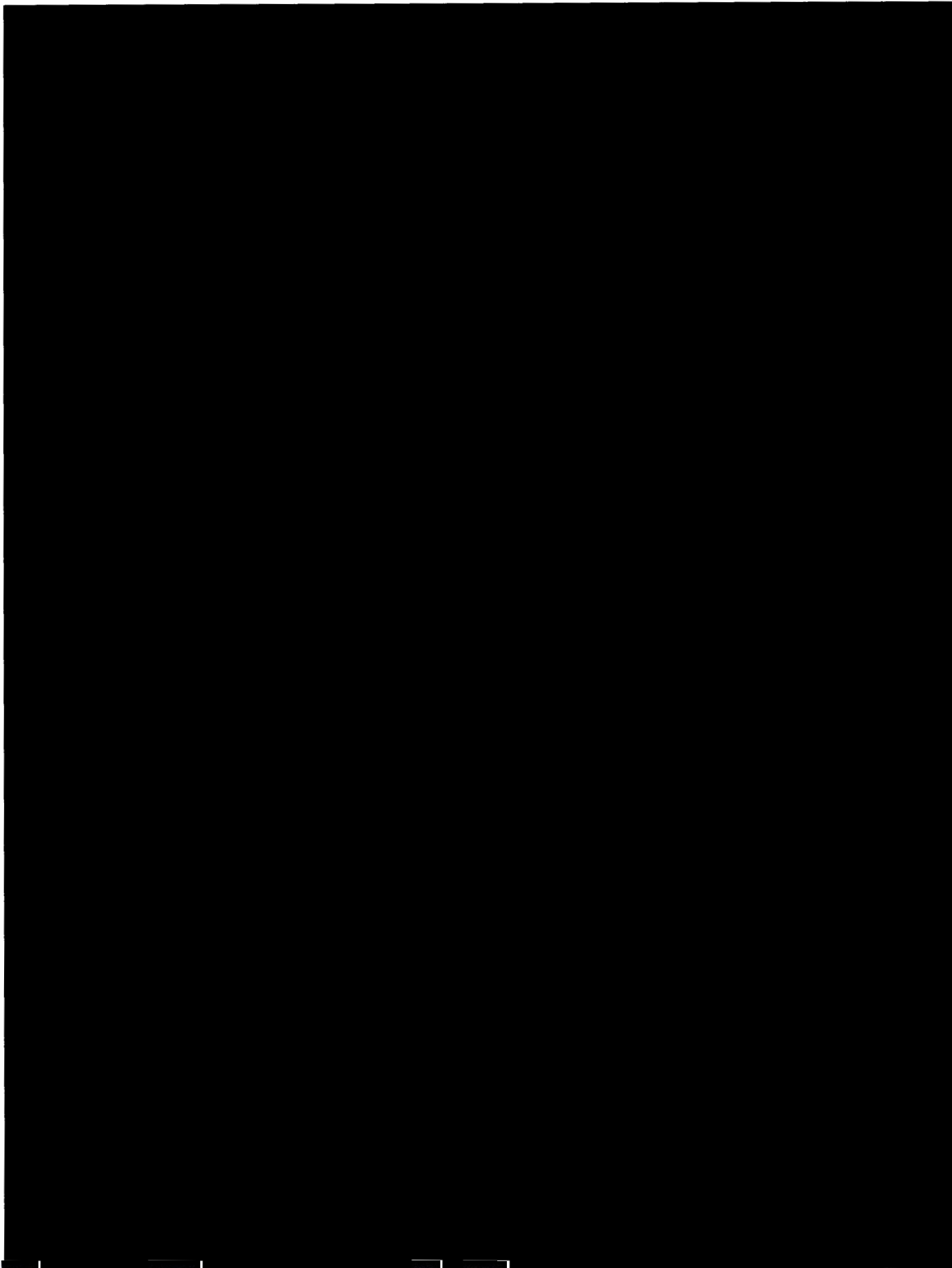
NON-CONFIDENTIAL PUBLIC VERSION
EXEMPT OVERTIME PLAN – AEP UTILITIES

Case No. 17-00143
CPAD 3-001
Attachment 1
Page 1 of 3



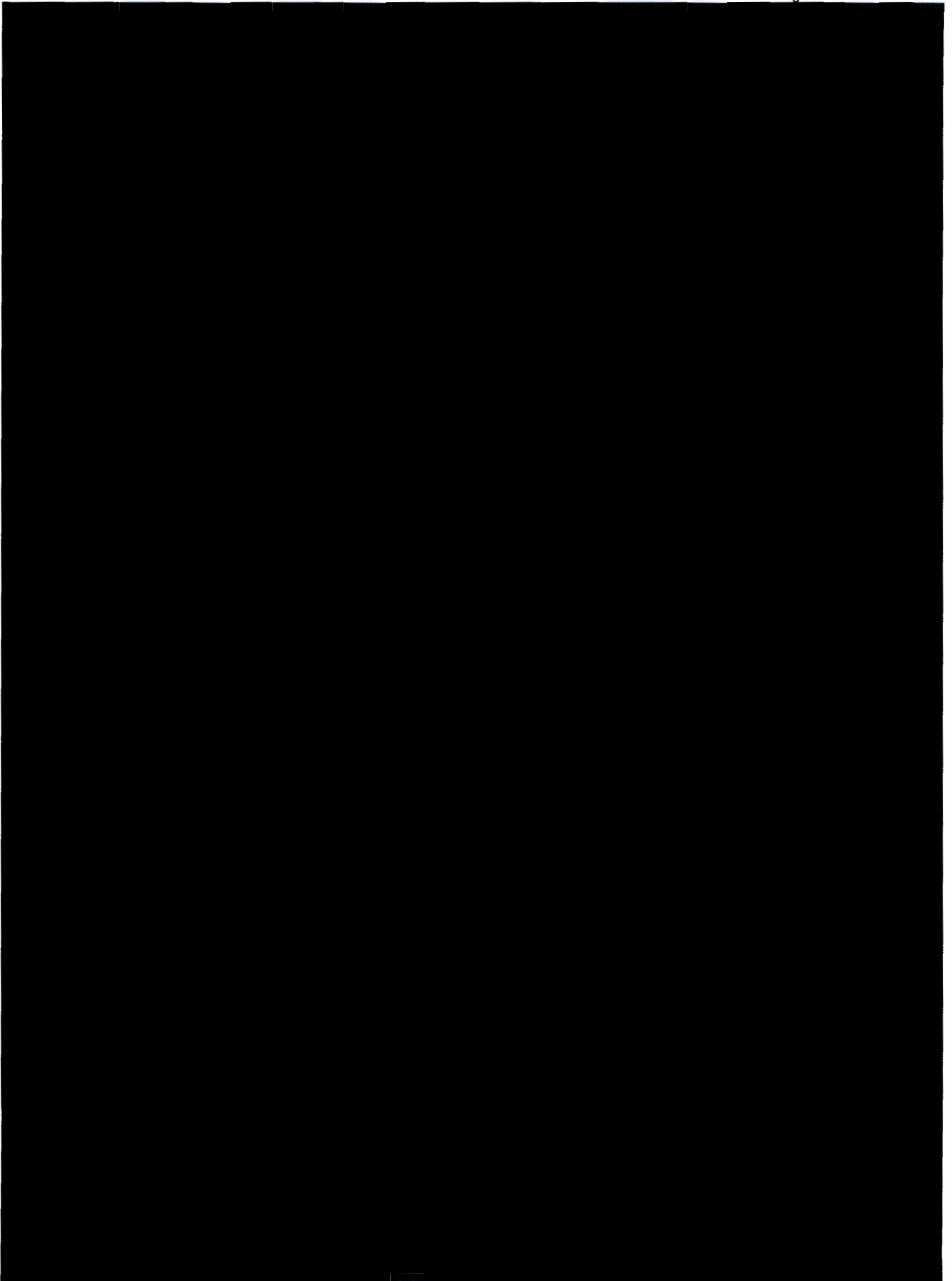
NON-CONFIDENTIAL PUBLIC VERSION
EXEMPT OVERTIME PLAN – AEP UTILITIES

Case No. 17-00143
CPAD 3-001
Attachment 1
Page 2 of 3



NON-CONFIDENTIAL PUBLIC VERSION
EXEMPT OVERTIME PLAN – AEP UTILITIES

Case No. 17-00143
CPAD 3-001
Attachment 1
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CPAD 3-002
Attachment 1
Page 1 of 7

12 Months Ended December 31, 2017 and December 31, 2016

Utility Operating Income

CPAD 3-002
Attachment 1
Page 2 of 7

12 Months Ended December 31, 2017 and December 31, 2016

TWELVE MONTHS ENDED	
2017	2016

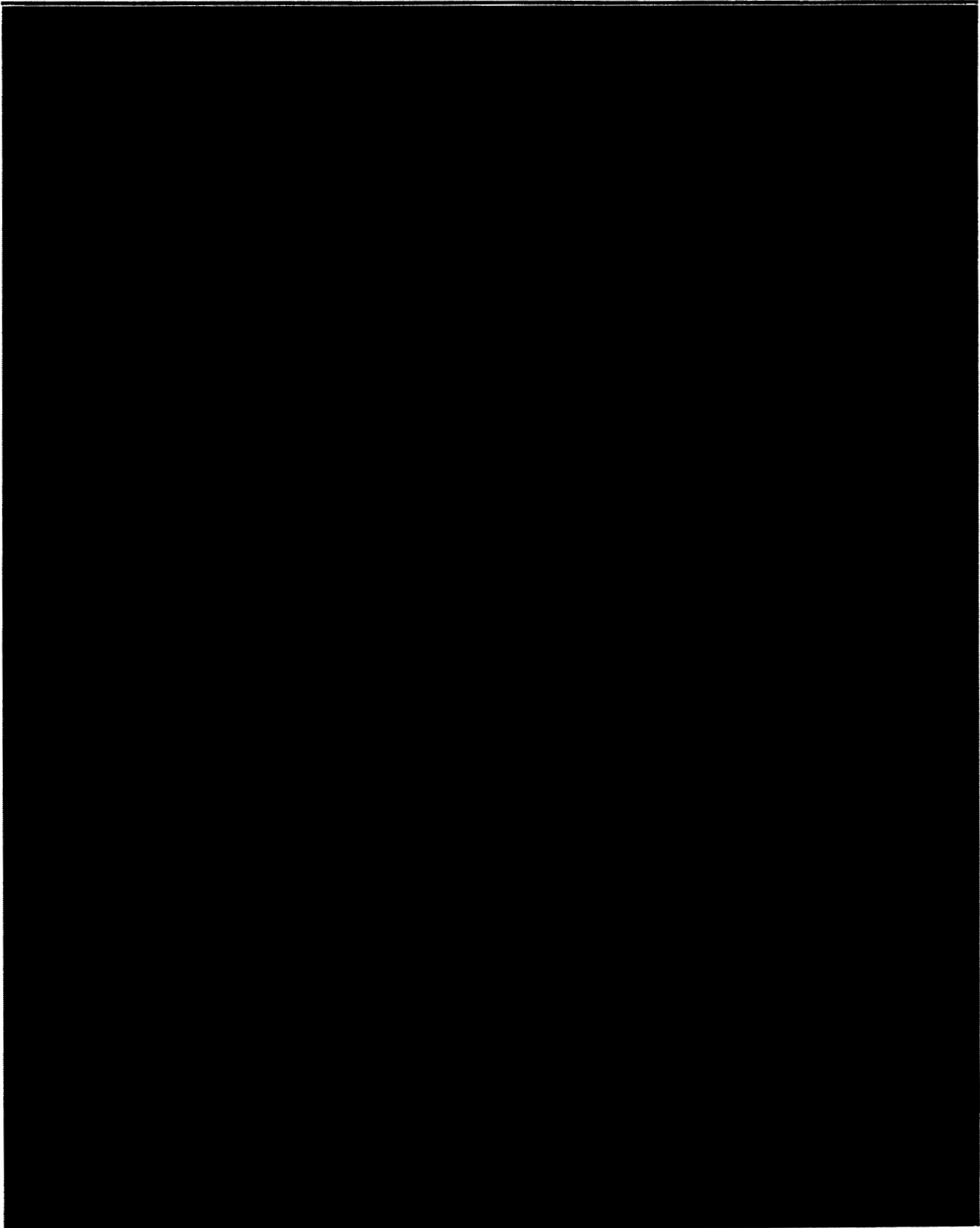
NON-CONFIDENTIAL PUBLIC VERSION

CPAD 3-002
Attachment 1
Page 3 of 7

Kingsport Power Company Income Statement

12 Months Ended December 31, 2017 and December 31, 2016

TWELVE MONTHS ENDED	
2017	2016



NON-CONFIDENTIAL PUBLIC VERSION

CPAD 3-002
Attachment 1
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Kingsport Power Company Income Statement

12 Months Ended December 31, 2017 and December 31, 2016

TWELVE MONTHS ENDED

CPAD 3 002
Attachment 1
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12 Months Ended December 31, 2017 and December 31, 2016

TWELVE MONTHS ENDED	
2017	2016

100

CPAD 3-002
Attachment 1
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12 Months Ended December 31, 2017 and December 31, 2016

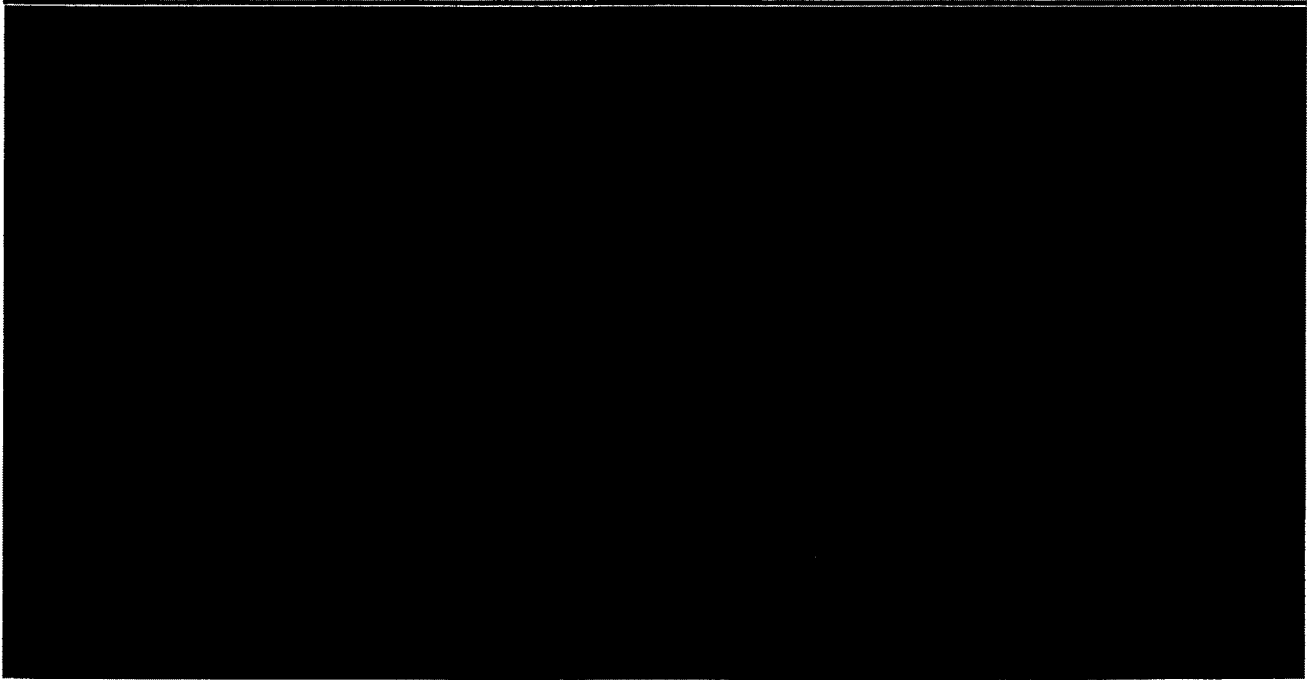
TWELVE MONTHS ENDED	
2017	2016

NON-CONFIDENTIAL PUBLIC VERSION

CPAD 3-002
Attachment 1
Page 7 of 7

Kingsport Power Company
Income Statement
12 Months Ended December 31, 2017 and December 31, 2016

TWELVE MONTHS ENDED	
2017	2016



NON-CONFIDENTIAL PUBLIC VERSION

CPAD 3-003(a)

Attachment 1

Page 1 of 6

Kingsport Power Company

Trial Balance

December 31, 2016

Account Number	Description	Ending Balance 2015	Debits 2016	Credit 2016	Yearly Activity 2016	Ending Balance 2016
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NON-CONFIDENTIAL PUBLIC VERSION

Kingsport Power Company

Trial Balance

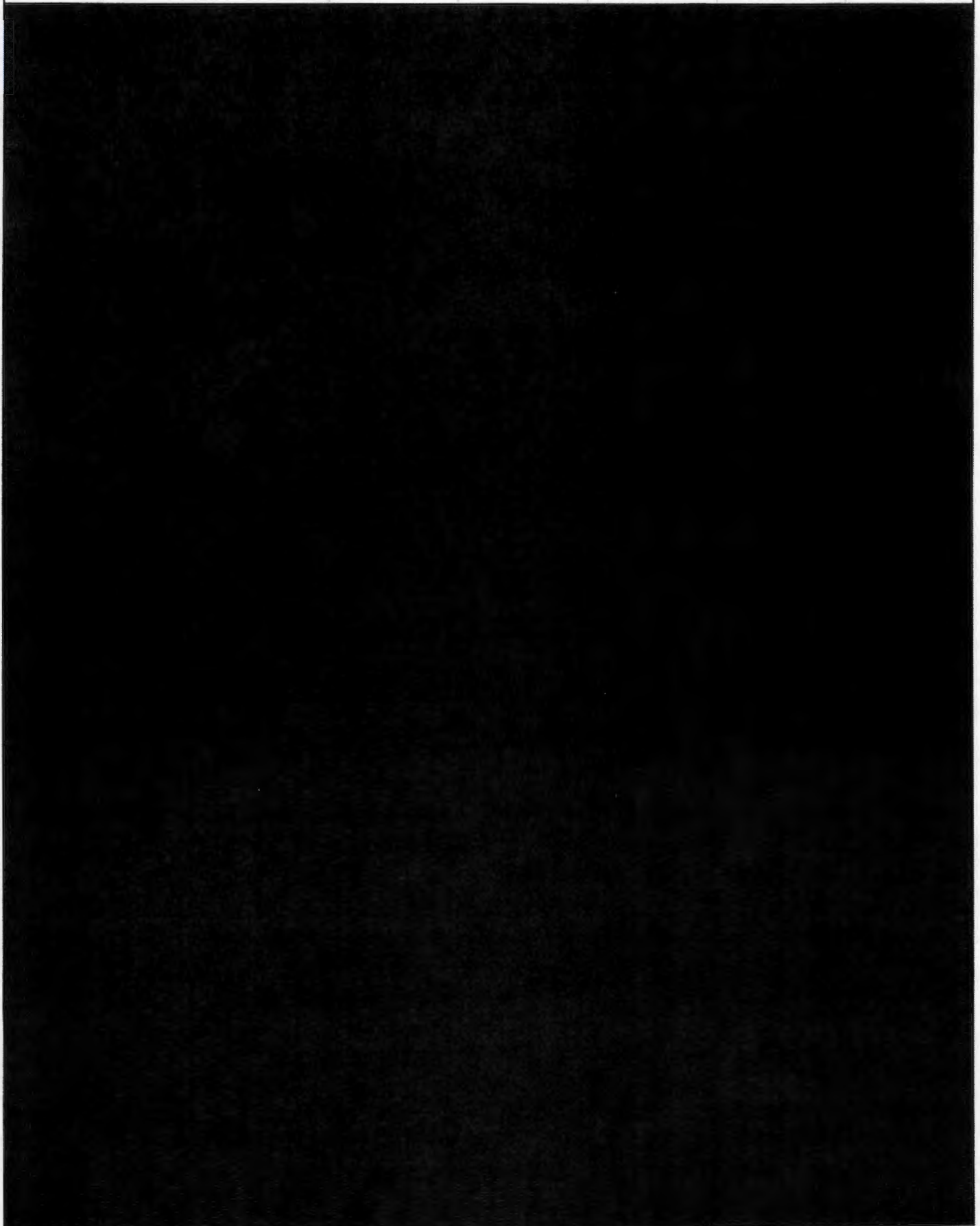
December 31, 2016

CPAD 3-003(a)

Attachment 1

Page 2 of 6

Account Number	Description	Ending Balance 2015	Debits 2016	Credit 2016	Yearly Activity 2016	Ending Balance 2016
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NON-CONFIDENTIAL PUBLIC VERSION

Kingsport Power Company
Trial Balance
December 31, 2016

CPAD 3-003(a)
Attachment 1
Page 3 of 6

Account Number	Description	Ending Balance 2015	Debits 2016	Credit 2016	Yearly Activity 2016	Ending Balance 2016
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NON-CONFIDENTIAL PUBLIC VERSION

CPAD 3-003(a)

Attachment 1

Page 4 of 6

Kingsport Power Company

Trial Balance

December 31, 2016

Account Number	Description	Ending Balance 2015	Debits 2016	Credit 2016	Yearly Activity 2016	Ending Balance 2016
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NON-CONFIDENTIAL PUBLIC VERSION

CPAD 3-003(a)
Attachment 1
Page 5 of 6

Account Number	Description	Ending Balance 2015	Debits 2016	Credit 2016	Yearly Activity 2016	Ending Balance 2016

NON-CONFIDENTIAL PUBLIC VERSION

Kingsport Power Company

Trial Balance

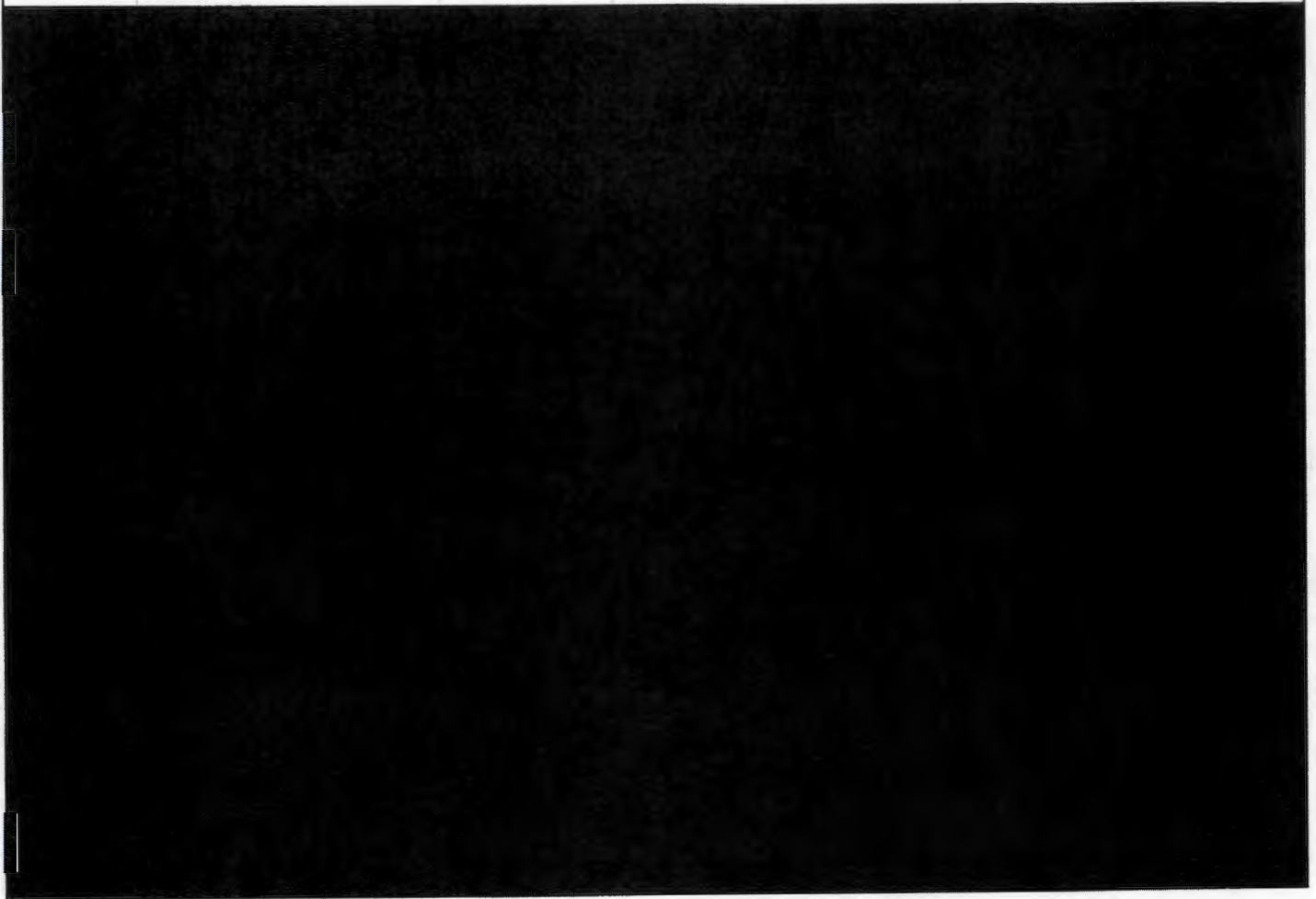
December 31, 2016

CPAD 3-003(a)

Attachment 1

Page 6 of 6

Account Number	Description	Ending Balance 2015	Debits 2016	Credit 2016	Yearly Activity 2016	Ending Balance 2016
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NON-CONFIDENTIAL PUBLIC VERSION

**Kingsport Power Company
Trial Balance
November 30, 2017**

CPAD 3-003(b)
Attachment 1
Page 1 of 6

Account Number	Description	Ending Balance 2016	Debits 2017	Credit 2017	Yearly Activity 2017	Ending Balance 2017
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NON-CONFIDENTIAL PUBLIC VERSION

**Kingsport Power Company
Trial Balance
November 30, 2017**

CPAD 3-003(b)
Attachment 1
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Account Number	Description	Ending Balance 2016	Debits 2017	Credit 2017	Yearly Activity 2017	Ending Balance 2017
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NON-CONFIDENTIAL PUBLIC VERSION

Kingsport Power Company
Trial Balance
November 30, 2017

CPAD 3-003(b)
Attachment 1
Page 3 of 6

Account Number	Description	Ending Balance 2016	Debits 2017	Credit 2017	Yearly Activity 2017	Ending Balance 2017
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CPAD 3.003(b)

Attachment 1

Page 4 of 6

Account Number	Description	Ending Balance 2016	Debits 2017	Credit 2017	Yearly Activity 2017	Ending Balance 2017
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NON-CONFIDENTIAL PUBLIC VERSION

**Kingsport Power Company
Trial Balance
November 30, 2017**

CPAD 3-003(b)
Attachment 1
Page 5 of 6

Account Number	Description	Ending Balance 2016	Debits 2017	Credit 2017	Yearly Activity 2017	Ending Balance 2017
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NON-CONFIDENTIAL PUBLIC VERSION

CPAD 3-003(b)

Attachment 1

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Kingsport Power Company

Trial Balance

November 30, 2017

Account Number	Description	Ending Balance 2016	Debits 2017	Credit 2017	Yearly Activity 2017	Ending Balance 2017

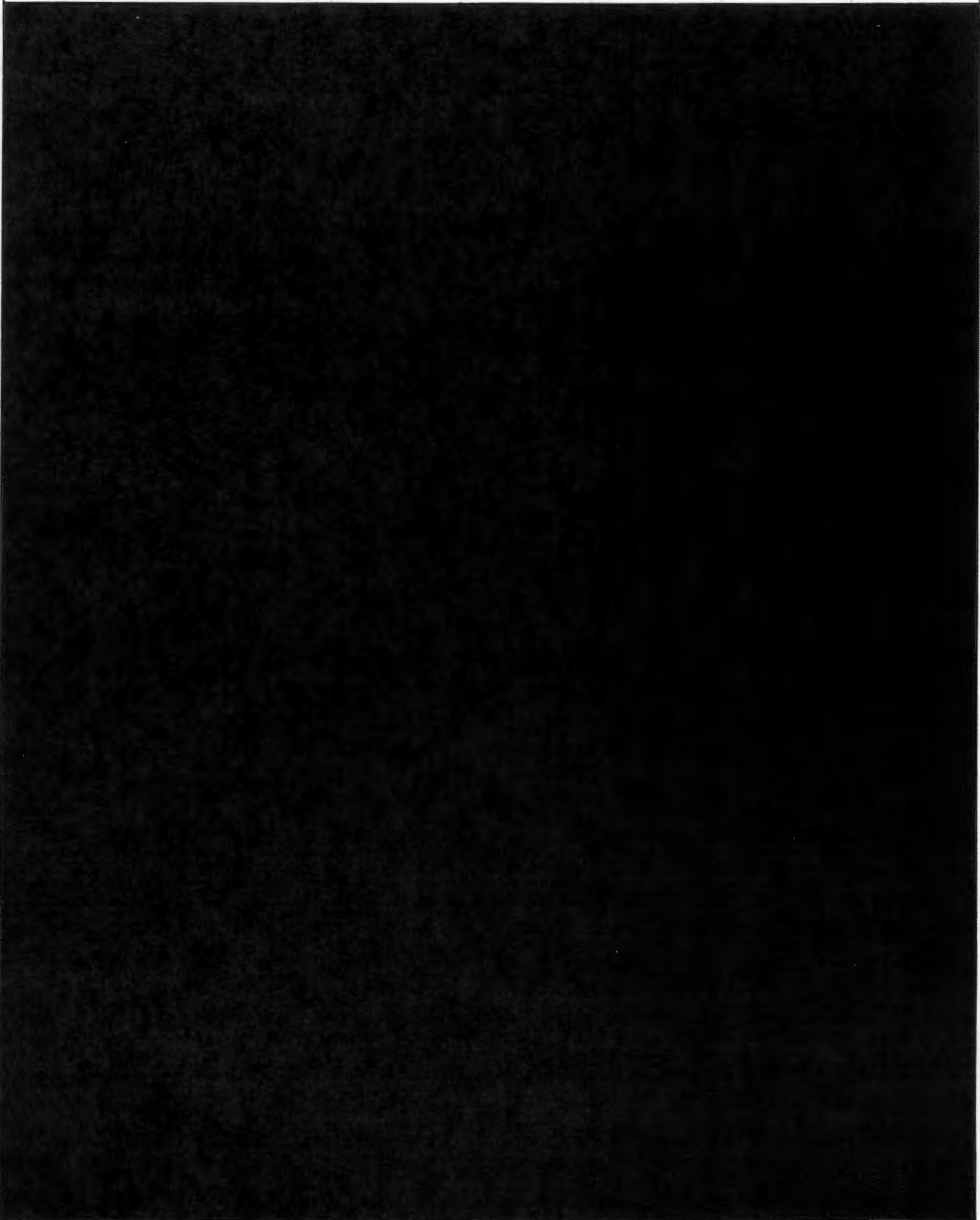
The image shows a dark, textured surface, likely the cover or endpaper of a book. The texture is grainy and uneven. A vertical strip of lighter, possibly white or light gray, material is visible along the right edge, suggesting a hinge or a different material used for the spine or binding. The overall appearance is aged and somewhat worn.

NON-CONFIDENTIAL PUBLIC VERSION

Kingsport Power Company
Trial Balance
December 31, 2017

CPAD 3-003(c)
Attachment 1
Page 1 of 6

Account Number	Description	Ending Balance 2016	Debits 2017	Credit 2017	Yearly Activity 2017	Ending Balance 2017



**Kingsport Power Company
Trial Balance
December 31, 2017**

CPAD 3-003(c)
Attachment 1
Page 2 of 6

Account Number	Description	Ending Balance 2016	Debits 2017	Credit 2017	Yearly Activity 2017	Ending Balance 2017
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NON-CONFIDENTIAL PUBLIC VERSION

**Kingsport Power Company
Trial Balance
December 31, 2017**

CPAD 3-003(c)
Attachment 1
Page 3 of 6

Account Number	Description	Ending Balance 2016	Debits 2017	Credit 2017	Yearly Activity 2017	Ending Balance 2017
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NON-CONFIDENTIAL PUBLIC VERSION

**Kingsport Power Company
Trial Balance
December 31, 2017**

CPAD 3-003(c)
Attachment 1
Page 4 of 6

Account Number	Description	Ending Balance 2016	Debits 2017	Credit 2017	Yearly Activity 2017	Ending Balance 2017
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NON-CONFIDENTIAL PUBLIC VERSION

Kingsport Power Company						CPAD 3-003(c)
Trial Balance						Attachment 1
December 31, 2017						Page 5 of 6
Account Number	Description	Ending Balance 2016	Debits 2017	Credit 2017	Yearly Activity 2017	Ending Balance 2017

NON-CONFIDENTIAL PUBLIC VERSION

Attachment 1

Kingsport Power Company

December 31, 2017

Account Number	Description	Ending Balance 2016	Debits 2017	Credit 2017	Yearly Activity 2017	Ending Balance 2017