



Appalachian Power

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January 24, 2019

Mr. David Foster, Director
Utilities Division
Tennessee Public Utility Commission
502 Deaderick Street, 4th Floor
Nashville, TN 37243

Re: Kingsport Power Company
TPUC Case No. 18-00038

Dear Mr. Foster:

Enclosed are revised clean and redline versions of the Federal Tax Rate Adjustment Rider that was approved as part of the Stipulation and Settlement Agreement presented to the Commission in Docket No. 18-00038 on January 22, 2019. The updates reflect the approved implementation date of February 1, 2019. Please discard the documents that were sent to you yesterday via overnight mail.

Sincerely,

William K. Castle, Director
Regulatory Services-VA/TN

Enclosures

cc: William C. Bovender, Esq.
James R. Bacha, Esq.
Noelle J. Coates, Esq.
Andrew Shaffron, Jr.

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UTILITIES DIVISION

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Issued: ~~September 15, 2017~~ January 23, 2019
~~2019, 2017~~

By: Christian T. Beam, President

00038

Effective: ~~October 1~~ February 1,

Pursuant to an Order in
Docket Number ~~16-00001~~ 18-

FEDERAL TAX RATE ADJUSTMENT RIDER

Kingsport Power is authorized under the terms of this rider to apply a credit or charge to all customer bills rendered by the Company to reflect the impacts of changes to the Federal Corporate Income Tax Rate not included in base rate or other tariff schedules.

1. Applicability

Credits or charges resulting from changes in the Federal Income Tax Rate not otherwise incorporated in rate schedules in this tariff shall be applied to all Distribution function base rates in the form of a percentage credit or charge to those rates. The credit or charge will apply to the Service, Energy, Demand, and Lamp charge components of the distribution portion of the schedules. The credit or charge is not applicable to Rider schedules in this tariff.

2. Determination of Credit or Charge Percentage

The aggregate credit or charge amounts shall be determined by the Tennessee Public Utility Commission. The percentage credit or charge will remain in place until modified or discontinued by the Tennessee Public Utility Commission.

3. 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 federal tax rate adjustment to its customers. The Company will also provide the calculations and other information supporting the proposed purchased power charges to the Staff of the Tennessee Public Utility Commission 30 days prior to the effective date of such charge.

4. Credit or Charge

Pursuant to the provisions of this Rider, a Federal Tax Rate Adjustment Rider credit or charge will be applied to each kilowatt-hour, kilowatt or lamp rate as billed under the Company's filed tariff non-rider schedules.

The Federal Tax Rate Adjustment Rider percentage credit or charge applicable to each schedule for the period February 01, 2019 to December 31, 2019, is a credit or reduction to rates of 8.9859%:

KINGSPORT POWER COMPANY
 Number 2-24
 d/b/a AEP Appalachian Power
 Number 2
 Kingsport, Tennessee

~~First Revised~~ Original Sheet

T.R.A.P.U.C. Tariff

FEDERAL TAX RATE ADJUSTMENT RIDER

Kingsport Power is authorized under the terms of this rider to apply a credit or charge to all customer bills rendered by the Company to reflect the impacts of changes to the Federal Corporate Income Tax Rate not included in base rate or other tariff schedules.

1. Applicability

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2. Determination of Credit or Charge Percentage

The aggregate credit or charge amounts shall be determined by the Tennessee Public Utility Commission. The percentage credit or charge will remain in place until modified or discontinued by the Tennessee Public Utility Commission.

3. 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 federal tax rate adjustment to its customers. The Company will also provide the calculations and other information supporting the proposed purchased power charges to the Staff of the Tennessee ~~Regulatory Authority~~ Public Utility Commission 30 days prior to the effective date of such charge.

4. Credit or Charge

Pursuant to the provisions of this Rider, a Federal Tax Rate Adjustment Rider credit or charge will be applied to each kilowatt-hour, kilowatt or lamp rate as billed under the Company's filed tariff non-rider schedules.

The Federal Tax Rate Adjustment Rider percentage credit or charge applicable to each schedule for the period ~~January~~ February 01, 2019 to December 31, 2019, is a credit or reduction to rates of 8.9859%:

Issued: ~~Month xx, 2018~~ January 23, 2019
~~2018~~ February 1, 2019
 By: Christian T. Beam
Number 18-00038

Effective: ~~Month xx,~~

Pursuant to an Order in Docket