

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 Ralston Mancl
Caroline Ross Williams
Marcy E. Walker
Matthew F. Bettis
Teresa Mahan Lesnak *
Michael A. Eastridge *
Jeannette Smith Tysinger*

**Of Counsel*

KPOW.95206

August 15, 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: FILING OF KINGSFORT POWER COMPANY d/b/a
AEP APPALACHIAN POWER ("KgPCo") IN
RESPONSE TO TENNESSEE PUBLIC UTILITY
COMMISSION INVESTIGATION OF IMPACT OF
FEDERAL TAX REFORM ON THE REVENUE
REQUIREMENTS OF KgPCo
DOCKET NO.: 18-00038

Dear Chairman Jones:

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

Responses to Consumer Advocate's First (Informal) Discovery Request to Kingsport
Power Company d/b/a AEP Appalachian Power

The original, CD and four (4) copies 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

August 15, 2018

cc: Daniel P Whitaker, III, Asst. Attorney General (w/enc.)

Via U.S. Mail and Email: Daniel.Whitaker@ag.tn.gov

Karen H. Stachowski, Esq. (w/enc.) *Via U.S. Mail and Email: Karen.Stachowski@ag.tn.gov*

Kelly Grams, General Counsel (w/enc.) *Via U.S. Mail and Email: Kelly.Grams@tn.gov*

Monica L. Smith-Ashford, Esq. (w/enc.) *Via U.S. Mail and Email: monica.smith-ashford@tn.gov*

David Foster (w/enc.) *Via U.S. Mail and Email: david.foster@tn.gov*

Michael J. Quinan, Esq. (w/enc.) *Via U.S. Mail and Email: mquinan@cblaw.com*

**TENNESSEE PUBLIC UTILITY COMMISSION
PETITION OF
Kingsport Power Company
DOCKET NO. TPUC 18-00038
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 First Informal Set
To Kingsport Power Company**

Data Request CPAD 1-1:

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

Response CPAD 1-1:

Please see CPAD 1-1, Attachment 1, on the enclosed CD, for the Income Statements by Account for Kingsport for the years 2016 and 2017.

**TENNESSEE PUBLIC UTILITY COMMISSION
PETITION OF
Kingsport Power Company
DOCKET NO. TPUC 18-00038
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 First Informal Set
To Kingsport Power Company**

Data Request CPAD 1-2:

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 CPAD 1-2:

Please see the attachments below, on the enclosed CD, for Trial Balances for Kingsport by Account for the following periods:

- a. December 31, 2016 -CPAD 1-2(a) Attachment 1
- b. November 30, 2017 -CPAD 1-2(b) Attachment 1
- c. December 31, 2017 - CPAD 1-2(c) Attachment 1

**TENNESSEE PUBLIC UTILITY COMMISSION
PETITION OF
Kingsport Power Company
DOCKET NO. TPUC 18-00038
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 First Informal Set
To Kingsport Power Company**

Data Request CPAD 1-3:

Provide all calculations and supporting workpapers relating to Kingsport's Petition in Excel format, and including all source and support.

Response CPAD 1-3:

Please see CPAD 1-3, Attachment 1, on the enclosed CD, for supporting workpapers. See also the Company's response to CPAD 1-7.

**TENNESSEE PUBLIC UTILITY COMMISSION
PETITION OF
Kingsport Power Company
DOCKET NO. TPUC 18-00038
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 First Informal Set
To Kingsport Power Company**

Data Request CPAD 1-4:

Indicate whether Kingsport has sufficient documentation necessary to rely upon the Average Rate Assumption Method for purposes of establishing an amortization schedule of its excess ADIT. If Kingsport does not have sufficient documentation to utilize the Average Rate Assumption Method, provide a detailed narrative describing why that method cannot be used.

Response CPAD 1-4:

Kingsport has sufficient documentation to rely upon the Average Rate Assumption Method to amortize the excess protected ADIT over the remaining useful life of the associated assets as prescribed by the Internal Revenue Service.

**TENNESSEE PUBLIC UTILITY COMMISSION
PETITION OF
Kingsport Power Company
DOCKET NO. TPUC 18-00038
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 First Informal Set
To Kingsport Power Company**

Data Request CPAD 1-5:

Provide the cumulative book/tax differences by line item that support the balance of Kingsport's ADIT as of December 31, 2017. Describe in detail the makeup of each line item.

Response CPAD 1-5:

Please see CPAD 1-5, Attachment 1, on the enclosed CD, for line item support of Kingsport's ADIT as of December 31, 2017.

**TENNESSEE PUBLIC UTILITY COMMISSION
PETITION OF
Kingsport Power Company
DOCKET NO. TPUC 18-00038
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 First Informal Set
To Kingsport Power Company**

Data Request CPAD 1-6:

Identify the line items within the cumulative book/tax timing differences that are associated with "protected" excess ADIT.

Response CPAD 1-6:

Please see CPAD 1-5, Attachment 1, for the "protected" excess ADIT, which are shown as highlighted amounts.

**TENNESSEE PUBLIC UTILITY COMMISSION
PETITION OF
Kingsport Power Company
DOCKET NO. TPUC 18-00038
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 First Informal Set
To Kingsport Power Company**

Data Request CPAD 1-7:

Produce all journal entries reflecting the implementation of the TCJA, list the date the journal entry was created, and provide a detailed description of each entry, including all source and support.

Response CPAD 1-7:

Please see CPAD 1-7, Attachment 1, on the enclosed CD, for the journal entry reflecting the implementation of the TCJA.

**TENNESSEE PUBLIC UTILITY COMMISSION
PETITION OF
Kingsport Power Company
DOCKET NO. TPUC 18-00038
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 First Informal Set
To Kingsport Power Company**

Data Request CPAD 1-8:

Describe in detail how Income Tax Expense was apportioned to customer classes in the last Kingsport rate case.

Response CPAD 1-8:

In the Company's last base rate case filing, KgPCo proposed to allocate Federal tax expense based on each classes' pre-tax operating income calculated in the class cost of service study. Accumulated deferred Federal income taxes in rate base were proposed to be allocated to the customer classes based upon the "rate base gross utility plant allocator."

In the settlement reached by the Parties and approved by the TPUC, in Kingsport's last base rate case, TPUC Docket No. 16-00001, revenues were apportioned among the customer classes as shown in Attachment A, Schedule 13, of the Settlement. A copy of that schedule is attached as CPAD 1-8, Attachment 1. The underlying income tax components of rates would follow that revenue apportionment.

**TENNESSEE PUBLIC UTILITY COMMISSION
PETITION OF
Kingsport Power Company
DOCKET NO. TPUC 18-00038
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 First Informal Set
To Kingsport Power Company**

Data Request CPAD 1-9:

Produce all source and support related to the journal entry contained in the attachment to the Petition.

Response CPAD 1-9:

Please see CPAD 1-7, Attachment 1, for the requested information.

TENNESSEE PUBLIC UTILITY COMMISSION
PETITION OF
Kingsport Power Company
DOCKET NO. TPUC 18-00038
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 First Informal Set
To Kingsport Power Company

Data Request CPAD 1-10:

Provide a detailed narrative for why Kingsport did not reflect the Tennessee Excise tax component within the tax gross-up calculation.

Response CPAD 1-10:

Within the tax gross-up calculation, Kingsport reflected the rate which would provide revenue to equal the amortization related only to the federal excess ADIT, since there is no excess state ADIT. However, in calculating the full tax gross-up for revenue requirement purposes, which would include the impacts for current state income taxes, the gross up would include a component for Tennessee excise taxes which would make the total tax gross up rate 1.3528 instead of 1.2658.

**TENNESSEE PUBLIC UTILITY COMMISSION
PETITION OF
Kingsport Power Company
DOCKET NO. TPUC 18-00038
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 First Informal Set
To Kingsport Power Company**

Data Request CPAD 1-11:

Does any portion of Kingsport operations fall under FERC jurisdiction? If so, explain in detail with supporting calculations how the split of excess ADIT was allocated between FERC and state jurisdictions.

Response CPAD 1-11:

There is no excess ADFIT to allocate between Kingsport's Tennessee retail jurisdiction, and any other jurisdiction, including FERC, as Kingsport only serves retail customers in Tennessee. Kingsport does purchase power, and pay for transmission services, from its wholesale supplier, Appalachian Power Company, under a wholesale power agreement on file at, and subject to, the FERC's jurisdiction.

**TENNESSEE PUBLIC UTILITY COMMISSION
PETITION OF
Kingsport Power Company
DOCKET NO. TPUC 18-00038
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 First Informal Set
To Kingsport Power Company**

Data Request CPAD 1-12:

Does Kingsport have a Net Operation Loss (NOL) that contributes to a deferred tax asset? If so, provide the reconciliation between book and taxable income for the period 2012-2017.

Response CPAD 1-12:

Kingsport does have a Net Operation Loss (NOL) that contributes to a deferred tax asset. See CPAD 1-12, Attachment 1, on the enclosed CD, for NOL Reconciliation.

**TENNESSEE PUBLIC UTILITY COMMISSION
PETITION OF
Kingsport Power Company
DOCKET NO. TPUC 18-00038
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 First Informal Set
To Kingsport Power Company**

Data Request CPAD 1-13:

If Kingsport has a NOL, is it Kingsport's position that the reduction in the NOL asset resulting from the TCJA must be recovered from ratepayers? If so, provide all support for the Company's position.

Response CPAD 1-13:

The reduction in the NOL asset resulting from the TCJA should be recovered from customers because the NOL is mainly a result of bonus depreciation that those customers have benefited from. For details of the reconciliation between book and taxable income, see CPAD 1-12, Attachment 1.

**TENNESSEE PUBLIC UTILITY COMMISSION
PETITION OF
Kingsport Power Company
DOCKET NO. TPUC 18-00038
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 First Informal Set
To Kingsport Power Company**

Data Request CPAD 1-14:

Specify whether the NOL asset recorded on the books of Kingsport is based upon the Tennessee-specific results of Kingsport or is based upon a corporate allocation that is assigned to Kingsport by the parent company.

Response CPAD 1-14:

Although KgPCo has experienced NOL in the past as shown on CPAD 1-12, Attachment 1, the NOL recorded on KgPCo's books reflects its share of the parent company NOL.

**TENNESSEE PUBLIC UTILITY COMMISSION
PETITION OF
Kingsport Power Company
DOCKET NO. TPUC 18-00038
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 First Informal Set
To Kingsport Power Company**

Data Request CPAD 1-15:

In paragraph two of its Petition, Kingsport indicates that the referenced balances are stated on a "revenue basis." Does Kingsport contend that these amounts must be "grossed up" for taxes? Provide a comprehensive explanation of the meaning of the phrase "...on a revenue basis."

Response CPAD 1-15:

Yes, please see the Company's response to CPAD 1-10. The term on a "revenue basis" relates to grossing up federal and state taxes. The calculation is necessary to make the Company whole after income tax expenses have been incurred.

**TENNESSEE PUBLIC UTILITY COMMISSION
PETITION OF
Kingsport Power Company
DOCKET NO. TPUC 18-00038
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 First Informal Set
To Kingsport Power Company**

Data Request CPAD 1-16:

Concerning excess ADIT, does Kingsport consider all plant-related timing differences to be "protected" ADIT, or is "protected" treatment limited to depreciation rate differences? Explain in detail how Kingsport defines "protected" tax/timing differences, including the identification of each type of plant-related timing difference and whether such difference is "protected" or "unprotected."

Response CPAD 1-16:

Kingsport limits treatment of "protected" ADIT to depreciation rate differences. Amortization of the portion of excess ADIT that is subject to this normalization requirement will be amortized over "the remaining lives of the property as used in its regulated books of account which gave rise to the reserve for deferred taxes." See Tax Act Subtitle C, Part 1, Sec. 13001(d)(3)(B).

**TENNESSEE PUBLIC UTILITY COMMISSION
PETITION OF
Kingsport Power Company
DOCKET NO. TPUC 18-00038
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 First Informal Set
To Kingsport Power Company**

Data Request CPAD 1-17:

Provide the tax gross-up calculation reconciling the \$1,505,354 in deferred costs with the reduction in the excess ADIT balance, which was estimated to be \$2,756,861 in paragraph 4 of the Petition.

Response CPAD 1-17:

For the requested reconciliation, please see CPAD 1-17, Attachment 1, on the enclosed CD, for the tax gross-up reconciliation.

**TENNESSEE PUBLIC UTILITY COMMISSION
PETITION OF
Kingsport Power Company
DOCKET NO. TPUC 18-00038
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 First Informal Set
To Kingsport Power Company**

Data Request CPAD 1-18:

Provide the most recent amount (and state the applicable date) of the Uncollected Fuel and Purchase Power balance.

Response CPAD 1-18:

The current under-recovery balance as of July 31, 2018 of Fuel and Purchased Power Adjustment rider costs recorded in Account 1823551 is \$5,408,840.

**TENNESSEE PUBLIC UTILITY COMMISSION
PETITION OF
Kingsport Power Company
DOCKET NO. TPUC 18-00038
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 First Informal Set
To Kingsport Power Company**

Data Request CPAD 1-19:

Provide a comprehensive explanation of each of the corporate assets that Kingsport believes should be allocated to its Tennessee operations for ratemaking purposes and identify the appropriate allocated balance for each asset as of December 31, 2017. Further, indicate whether the associated excess ADIT balances contain any amounts related to book/tax timing differences associated with corporate assets allocated to Tennessee operations.

Response CPAD 1-19:

Kingsport does not have any AEP or AEPSC corporate assets allocated to its Tennessee operations for ratemaking purposes. Kingsport's excess ADIT balances do not contain any book/tax timing differences associated with corporate assets.

**TENNESSEE PUBLIC UTILITY COMMISSION
PETITION OF
Kingsport Power Company
DOCKET NO. TPUC 18-00038
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 First Informal Set
To Kingsport Power Company**

Data Request CPAD 1-20:

Provide a list of corporate assets that are allocated to the Kingsport jurisdiction for ratemaking purposes. For each asset listed, provide the date the asset was placed in service, the original cost, the Accumulated Depreciation balance and net book value all as of December 31, 2017, on a total company and a Tennessee-specific basis. Further, provide a description of how each asset is used in the provision of electric service within the Tennessee jurisdiction.

Response CPAD 1-20:

Please see the Company's response in CPAD 1-19.

**TENNESSEE PUBLIC UTILITY COMMISSION
PETITION OF
Kingsport Power Company
DOCKET NO. TPUC 18-00038
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 First Informal Set
To Kingsport Power Company**

Data Request CPAD 1-21:

With respect to the corporate assets identified above, indicate whether such book/tax timing differences on those assets are incorporated into the ADIT balances (excess and residual) on the books of Kingsport as of December 31, 2017. If the ADIT balances associated with corporate assets are not incorporated into the balances reflected in the Kingsport Petition, provide a comprehensive explanation indicating why an allocated portion of ADIT associated with common/corporate assets has not been incorporated into the calculation of excess ADIT within this Docket.

Response CPAD 1-21:

Please see the Company's response to CPAD 1-19. KgPCo's customers have and will receive the benefit of excess ADIT on AEPSC assets through reduced service corporation billings.

**TENNESSEE PUBLIC UTILITY COMMISSION
PETITION OF
Kingsport Power Company
DOCKET NO. TPUC 18-00038
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 First Informal Set
To Kingsport Power Company**

Data Request CPAD 1-22:

With respect to the ADIT balances associated with corporate assets:

- a. Identify the individual book/tax timing differences associated with these assets;
- b. For each book/tax timing difference, identify the portion associated with "protected" and "unprotected" excess ADIT; and
- c. Describe in detail and provide all source and support for the methodologies used to allocate the costs and associated ADIT of these common assets to the Kingsport-Tennessee jurisdiction.

Response CPAD 1-22:

Please see the Company's response in CPAD 1-19.

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

CPAD 1-1
Attachment 1

		12 MONTHS ENDED	12 MONTHS ENDED
		DECEMBER	DECEMBER
		2017	2016
FERC Form			
Line 1			
	Utility Operating Income		
4400001	Residential Sales-W/Space Htg	7,647,819.85	26,394,358.54
4400002	Residential Sales-W/O Space Ht	1,798,431.09	5,483,550.04
4400005	Residential Fuel Rev	49,057,372.64	26,165,010.35
	Residential Sales	58,503,623.58	58,042,918.93
4420001	Commercial Sales	12,140,498.12	18,832,411.38
4420002	Industrial Sales (Excl Mines)	5,855,927.13	22,710,646.54
4420005	C&I Sales - Affil Cos	132.03	122.21
4420006	Sales to Pub Auth - Schools	86,451.47	114,576.44
4420007	Sales to Pub Auth - Ex Schools	1,215,146.53	1,839,628.77
4420013	Commercial Fuel Rev	23,981,099.79	13,643,952.92
4420016	Industrial Fuel Rev	50,501,906.09	29,893,945.43
4420019	Affiliated C&I Sales -Fuel Rev	21.94	18.92
	Commercial Sales	93,781,183.10	87,035,302.61
4440000	Public Street/Highway Lighting	1,599,902.66	1,472,963.02
4440002	Public St & Hwy Light Fuel Rev	15,210.33	93,492.76
4450001	Oth Sales Pblc Auth (Inc Sch)	283,106.63	1,050,361.76
4450004	Oth Sales Public Auth Fuel Rev	1,922,340.79	1,061,358.26
	Public Streets and Highway Lighting	3,820,560.41	3,678,175.80
	Sales for Resale	0.00	0.00
4491002	Prov Rate Refund-Nonaffiliated	(153,002.14)	(29,078.13)
4491003	Prov Rate Refund - Retail	3,922.45	(3,922.45)
4491004	Prov Rate Refund - Affiliated	33,533.92	(33,533.92)
	Less Rate Refund Provision	(115,545.77)	(66,534.50)
4500000	Forfeited Discounts	239,655.07	242,349.64
4510001	Misc Service Rev - Nonaffil	66,117.35	69,893.14
4540001	Rent From Elect Property - Af	65,263.92	54,671.28
4540002	Rent From Elect Property-NAC	6,100.00	6,700.00
4540004	Rent From Elect Prop-ABD-Nonaf	40,742.96	39,556.28
4540005	Rent from Elec Prop-Pole Attch	1,311,012.71	1,530,050.67
4560015	Other Electric Revenues - ABD	316,547.75	116,511.04
4561006	PJM Trans Owner Admin Rev	6,359.81	6,239.27
4561007	PJM Network Integ Trans Svc	401,143.22	377,776.06
4561029	PJM NITS Revenue Whsl Cus-NAff	199,072.51	155,822.02
4561030	PJM TO Serv Rev Whls Cus-NAff	2,159.50	2,168.65
4561033	PJM NITS Revenue - Affiliated	3,406,951.07	3,229,239.91
4561034	PJM TO Adm. Serv Rev - Aff	37,158.32	35,895.00
4561035	PJM Affiliated Trans NITS Cost	-	-
4561058	NonAffil PJM Trans Enhncmt Rev	122,365.22	114,472.81
4561059	Affil PJM Trans Enhancmnt Rev	87,274.68	59,009.40
4561060	Affil PJM Trans Enhancmnt Cost	(0.00)	-
4561061	NAff PJM RTEP Rev for Whsl-FR	5,065.42	2,847.42
4561063	PROVISION RTO Rev Affiliated	22,945.22	(44,870.63)
4561064	PROVISION RTO Rev WhslCus-NAf	1,362.25	(2,187.41)
4561065	PROVISION RTO Rev - NonAff	2,675.53	(5,673.46)
4561067	PJM OATT 205 TransRev-NonAffil	-	-
4561068	PJM OATT 205 Trans Rev - Affil	(71,420.00)	-
4561069	PJM OATT 205 Trans Cost-Affil	71,420.00	-
	Other Operating Revenues	6,339,972.51	5,990,471.09
Line 2	Operating Revenues (400)	162,329,793.83	154,680,333.93
Line 3	Operating Expenses		
	Fuel Expense	0.00	0.00
5000000	Oper Supervision & Engineering	-	-
5060000	Misc Steam Power Expenses	-	-
	Steam Power Operations	0.00	0.00
5200000	Steam Expenses	-	-
5230000	Electric Expenses	-	-

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

CPAD 1-1
Attachment 1

		12 MONTHS ENDED	12 MONTHS ENDED
		DECEMBER	DECEMBER
		2017	2016
FERC Form			
Line 1			
5240000	Misc Nuclear Power Expenses	-	-
	Nuclear Power Operations	0.00	0.00
5390000	Misc Hydr Power Generation Exp	-	-
	Hydraulic Power Operations	0.00	0.00
5470004	Fuel - Gas Turb - Purch / Hand	-	-
	Other Power Operations	0.00	0.00
5550027	Purch Pwr-Non-Fuel Portion-Aff	82,319,926.89	80,299,731.00
5550046	Purch Power-Fuel Portion-Affil	48,142,377.55	45,669,898.61
5550551	Purch PWR-TN Under/Over FPPAR	(4,625,577.33)	596,569.04
5560000	Sys Control & Load Dispatching	-	-
5570000	Other Expenses	-	-
5570010	OH Auction Exp - Incremental	0.22	-
	Purchased Power	125,836,727.33	126,566,198.65
	401 Operation Expense	0.00	0.00
5600000	Oper Supervision & Engineering	160,612.49	69,221.53
5611000	Load Dispatch - Reliability	104.52	359.21
5612000	Load Dispatch-Mntr&Op TransSys	8,327.98	31,394.16
5614007	RTO Admin Default LSE.	-	(6.26)
5615000	Reliability,Plng&Stds Develop	4,398.20	5,433.08
5616000	Transmission Service Studies	0.21	-
5620001	Station Expenses - Nonassoc	97,951.68	114,822.93
5630000	Overhead Line Expenses	46,548.03	3,503.29
5640000	Underground Line Expenses	-	-
5650015	PJM TO Serv Exp - Aff	-	-
5650016	PJM NITS Expense - Affiliated	-	-
5650019	Affil PJM Trans Enhncement Exp	(0.00)	-
5650020	PROVISION RTO Affil Expense	0.01	(22.33)
5650050	PJM OATT 205 Trans Cost-Affil	-	-
5650051	PJM OATT205 OvrUndr RecvrdCost	-	-
5660000	Misc Transmission Expenses	167,013.43	148,258.05
5660004	SPP FERC Assessment Fees	-	0.45
5670001	Rents - Nonassociated	-	-
	Transmission Operations	484,956.54	372,964.11
	Regional Market Expense	0.00	0.00
5800000	Oper Supervision & Engineering	291,801.48	238,995.70
5810000	Load Dispatching	(0.23)	757.65
5820000	Station Expenses	58,205.17	277,963.50
5830000	Overhead Line Expenses	16,524.22	109,941.35
5840000	Underground Line Expenses	71,335.91	80,969.86
5850000	Street Lighting & Signal Sys E	73,859.87	47,136.71
5860000	Meter Expenses	98,024.71	84,174.06
5870000	Customer Installations Exp	73,695.86	88,943.74
5880000	Miscellaneous Distribution Exp	942,400.30	906,201.70
5890001	Rents - Nonassociated	612,005.18	406,630.77
	Distribution Expense	2,237,852.47	2,241,715.04
	Gas Operations	0.00	0.00
9010000	Supervision - Customer Accts	81,577.61	94,682.13
9020000	Meter Reading Expenses	(30.78)	18,549.04
9020001	Customer Card Reading	-	-
9020002	Meter Reading - Regular	12,004.29	15,908.45
9020003	Meter Reading - Large Power	15,929.69	15,106.60
9020004	Read-In & Read-Out Meters	93,284.98	89,161.80
9030000	Cust Records & Collection Exp	77,706.87	70,497.62
9030001	Customer Orders & Inquiries	651,970.74	651,672.76
9030002	Manual Billing	6,083.39	5,986.74
9030003	Postage - Customer Bills	168,464.65	197,869.87
9030004	Cashiering	34,351.08	25,863.36
9030005	Collection Agents Fees & Exp	17,518.02	14,453.33
9030006	Credit & Oth Collection Activi	74,095.31	96,521.11

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

CPAD 1-1
Attachment 1

		12 MONTHS ENDED	12 MONTHS ENDED
		DECEMBER	DECEMBER
		2017	2016
FERC Form			
Line 1			
9030007	Collectors	149,726.95	167,744.12
9030009	Data Processing	16,892.09	15,192.59
9040007	Uncoll Accts - Misc Receivable	156,681.66	4,922.00
9050000	Misc Customer Accounts Exp	8,167.31	4,106.64
	Customer Account Expense	1,564,423.86	1,488,238.15
9070000	Supervision - Customer Service	11,254.84	10,839.05
9070001	Supervision - DSM	7.35	12.24
9080000	Customer Assistance Expenses	87,889.90	56,909.95
9080004	Cust Assistnce Exp - DSM - Ind	(0.05)	(1.27)
9080009	Cust Assistance Expense - DSM	887.66	1,140.83
9080023	Dem Response Prog Exp KG	261,218.48	38,159.08
9090000	Information & Instruct Advrtis	-	534.23
9100000	Misc Cust Svc&Informational Ex	10,298.94	1,375.99
9100001	Misc Cust Svc & Info Exp - RCS	244.03	260.29
9110001	Supervision - Residential	-	-
9110002	Supervision - Comm & Ind	104.24	31.03
9120000	Demonstrating & Selling Exp	13,088.37	10,368.39
9120001	Demo & Selling Exp - Res	383.81	-
9130001	Advertising Exp - Residential	-	34.67
	Customer Service Information & Sales	385,377.57	119,664.48
9200000	Administrative & Gen Salaries	900,885.27	791,343.88
9200005	GridSmart Reimbursement Contra	-	-
9210001	Off Supl & Exp - Nonassociated	42,589.32	52,038.98
9210003	Office Supplies & Exp - Trnsf	2.48	-
9210004	Office Utilites	3.71	-
9210005	Cellular Phones and Pagers	-	(0.14)
9220000	Administrative Exp Trnsf - Cr	(360,933.16)	(297,186.65)
9220001	Admin Exp Trnsf to Cnstrction	(37,724.00)	(111,277.00)
9220004	Admin Exp Trnsf to ABD	(3,369.57)	(1,086.88)
9230001	Outside Svcs Empl - Nonassoc	314,290.16	126,319.25
9230003	AEPSC Billed to Client Co	11,739.48	34,024.85
9240000	Property Insurance	31,905.06	82,019.88
9250000	Injuries and Damages	166,604.64	157,561.01
9250001	Safety Dinners and Awards	1.52	7.46
9250002	Emp Accdent Prvntion-Adm Exp	534.51	685.38
9250005	Dresden Injuries and Damages	-	-
9250006	Wrkrs Cmpnstrn Pre&Slf Ins Prv	44,558.95	178,359.20
9250007	Prsnal Injries&Prop Dmage-Pub	1.26	10.06
9250010	Frg Ben Loading - Workers Comp	(18,021.00)	(104,664.09)
9260000	Employee Pensions & Benefits	253.07	174.95
9260001	Edit & Print Empl Pub-Salaries	1,636.65	1,565.68
9260002	Pension & Group Ins Admin	3,221.03	4,555.02
9260003	Pension Plan	311,618.69	316,078.59
9260004	Group Life Insurance Premiums	16,184.78	16,100.87
9260005	Group Medical Ins Premiums	515,441.33	563,346.63
9260006	Physical Examinations	0.05	-
9260007	Group L-T Disability Ins Prem	112,501.99	45,217.23
9260009	Group Dental Insurance Prem	20,097.77	25,520.54
9260010	Training Administration Exp	156.81	205.18
9260012	Employee Activities	2,361.11	392.93
9260014	Educational Assistance Pmts	6,734.00	3,103.37
9260021	Postretirement Benefits - OPEB	(212,486.67)	(245,218.07)
9260027	Savings Plan Contributions	186,123.35	184,422.39
9260040	SFAS 112 Postemployment Benef	(283.08)	719.20
9260050	Frg Ben Loading - Pension	(158,226.35)	(152,585.41)
9260051	Frg Ben Loading - Grp Ins	(365,259.93)	(348,175.17)
9260052	Frg Ben Loading - Savings	(95,250.01)	(93,628.00)
9260053	Frg Ben Loading - OPEB	82,416.25	89,559.33
9260055	IntercoFringeOffset- Don't Use	(188,136.54)	(187,570.24)

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

CPAD 1-1
Attachment 1

		12 MONTHS ENDED	12 MONTHS ENDED
		DECEMBER	DECEMBER
		2017	2016
FERC Form			
Line 1			
9260057	Postret Ben Medicare Subsidy	(0.01)	-
9260058	Frg Ben Loading - Accrual	(3,615.96)	(1,725.83)
9260060	Amort-Post Retirement Benefit	30,531.48	30,531.48
9280000	Regulatory Commission Exp	41.57	(2.56)
9280001	Regulatory Commission Exp-Adm	-	8.76
9280002	Regulatory Commission Exp-Case	178,240.51	1,114,129.88
9280003	Rate Case Amort	101,220.84	(472,363.72)
9280005	Reg Com Exp-FERC Trans Cases	1,228.76	627.50
9301000	General Advertising Expenses	38.65	2.87
9301001	Newspaper Advertising Space	0.55	5.63
9301009	Fairs, Shows, and Exhibits	-	-
9301010	Publicity	47.94	115.76
9301012	Public Opinion Surveys	2,854.96	2,598.04
9301015	Other Corporate Comm Exp	1,873.12	1,890.67
9302000	Misc General Expenses	12,392.24	22,769.93
9302003	Corporate & Fiscal Expenses	734.30	588.47
9302004	Research, Develop&Demonstr Exp	28.24	145.25
9302006	Assoc Bus Dev - Materials Sold	3,825.71	498.91
9302007	Assoc Business Development Exp	195,199.20	35,149.93
9310000	Rents	-	0.41
9310001	Rents - Real Property	310,185.00	310,185.00
9310002	Rents - Personal Property	18,817.62	32,567.72
	Administration & General Operations	2,185,817.64	2,209,664.31
Line 4	Operating Expenses (401)	132,695,155.41	132,998,444.75
		0.00	0.00
5100000	Maint Supv & Engineering	-	-
5120000	Maintenance of Boiler Plant	-	-
	Steam Plant Maintenance	0.00	0.00
5300000	Maint of Reactor Plant Equip	-	-
	Nuclear Plant Maintenance	0.00	0.00
5420000	Maintenance of Structures	-	-
	Hydraulic Plant Maintenance	0.00	0.00
	Other Power Plant Maintenance	0.00	0.00
	402 Maintenance Expense	0.00	0.00
5680000	Maint Supv & Engineering	888.33	1,873.21
5690000	Maintenance of Structures	6,895.73	2,365.28
5691000	Maint of Computer Hardware	325.21	36.85
5692000	Maint of Computer Software	6,413.89	5,480.25
5693000	Maint of Communication Equip	43.74	309.31
5700000	Maint of Station Equipment	77,336.33	140,761.41
5710000	Maintenance of Overhead Lines	173,440.58	138,716.33
5720000	Maint of Underground Lines	12.25	1.70
5720001	CnstrSrchrgeMaintUndrgrndLines	-	-
5730000	Maint of Misc Trnsmssion Plt	44,081.18	65,044.97
	Transmission Maintenance	309,437.24	354,589.31
5900000	Maint Supv & Engineering	14,360.80	10,353.31
5910000	Maintenance of Structures	3,436.64	13,481.43
5920000	Maint of Station Equipment	89,337.38	160,809.64
5922000	Maint of Energy Storage Equip	-	(0.01)
5930000	Maintenance of Overhead Lines	2,078,756.31	2,526,428.86
5930001	Tree and Brush Control	40,171.91	38,596.80
5930007	Mnt O/H Line Reliability-Def	5.25	-
5933426	TRP&MS O/U Recovery	171,717.67	-
5940000	Maint of Underground Lines	55,570.47	37,535.21
5950000	Maint of Lne Trnf,Rglators&Dvi	267,687.52	205,843.64
5960000	Maint of Strt Lghtng & Sgnal S	49,186.78	16,292.03
5970000	Maintenance of Meters	4,764.28	3,149.65
5980000	Maint of Misc Distribution Plt	218,291.28	185,263.95
	Distribution Maintenance	2,993,286.29	3,197,754.51

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

CPAD 1-1
Attachment 1

		12 MONTHS ENDED	12 MONTHS ENDED
		DECEMBER	DECEMBER
		2017	2016
FERC Form			
Line 1			
	Gas Maintenance	0.00	0.00
9350000	Maintenance of General Plant	5.17	-
9350001	Maint of Structures - Owned	12,087.58	25.17
9350002	Maint of Structures - Leased	114,701.10	151,938.43
9350012	Maint of Data Equipment	358.12	24,359.44
9350013	Maint of Cmmncation Eq-Unall	91,091.32	102,557.91
9350015	Maint of Office Furniture & Eq	100,949.31	83,828.07
9350019	Maint of Gen Plant-SCADA Equ	82.98	55.22
9350024	Maint of DA-AMI Comm Equip	(5.62)	9.11
	Adminstration & General Maintenance	319,269.96	362,773.35
Line 5	Maintenance Expenses (402)	3,621,993.49	3,915,117.17
4030001	Depreciation Exp	6,141,623.68	5,881,861.71
Line 6	Depreciation Expense (403)	6,141,623.68	5,881,861.71
Line 7	Depreciation Expense for Asset Retirement Costs (403.1)	0.00	0.00
4040001	Amort. of Plant	699,129.08	543,223.49
Line 8	Amort. & Depl. Of Utility Plant (404-405)	699,129.08	543,223.49
Line 9	Amort. Of Utility Plant Acq. Adj. (406)	0.00	0.00
Line 10	Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407)	0.00	0.00
Line 11	Amort. Of Conversion Expenses (407)		
Line 12	Regulatory Debits (407.3)	0.00	0.00
Line 13	(Less) Regulatory Credits (407.4)	0.00	0.00
4081002	FICA	336,786.18	341,112.62
4081003	Federal Unemployment Tax	2,355.29	2,370.01
408100514	Real Personal Property Taxes	-	-
408100515	Real Personal Property Taxes	-	339.76
408100516	Real Personal Property Taxes	(1.00)	1,261,330.94
408100517	Real Personal Property Taxes	1,362,400.00	-
408100614	State Gross Receipts Tax	-	-
408100615	State Gross Receipts Tax	-	2,240,271.00
408100616	State Gross Receipts Tax	2,068,495.50	2,068,495.50
408100617	State Gross Receipts Tax	2,076,322.02	-
4081007	State Unemployment Tax	637.27	765.92
408100807	State Franchise Taxes	-	-
408100811	State Franchise Taxes	-	-
408100814	State Franchise Taxes	-	-
408100815	State Franchise Taxes	-	150,448.00
408100816	State Franchise Taxes	85,290.00	214,000.00
408100817	State Franchise Taxes	225,000.00	-
408101715	St Lic-Rgstrtion Tax-Fees	-	-
408101716	St Lic-Rgstrtion Tax-Fees	-	1,720.47
408101717	St Lic-Rgstrtion Tax-Fees	1,720.47	-
408101815	St Publ Serv Comm Tax-Fees	-	-
408101816	St Publ Serv Comm Tax-Fees	-	637,090.00
408101817	St Publ Serv Comm Tax-Fees	643,342.82	-
408101914	State Sales and Use Taxes	-	-
408101915	State Sales and Use Taxes	-	131.64
408101916	State Sales and Use Taxes	213.69	1,329.56
408101917	State Sales and Use Taxes	1,279.20	-
408102316	Local Privilege-Franchise Tax	-	1,642,364.01
408102317	Local Privilege-Franchise Tax	3,953,735.41	-
4081033	Fringe Benefit Loading - FICA	(179,339.14)	(175,350.79)
4081034	Fringe Benefit Loading - FUT	(1,445.30)	(1,295.00)
4081035	Fringe Benefit Loading - SUT	(412.90)	(439.85)
Line 14	Taxes Other Than Income Taxes (408.1)	10,576,379.51	8,384,683.79
4091001	Income Taxes, UOI - Federal	(5,088,196.17)	(1,290,636.59)
	Income Taxes Federal	(5,088,196.17)	(1,290,636.59)
4265009	Factored Cust A/R Exp - Affil	330,310.09	287,533.53
4265010	Fact Cust A/R-Bad Debts-Affil	200,869.96	291,087.39
	Factored Accounts Rec Expenses	531,180.05	578,620.92

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

CPAD 1-1
Attachment 1

		12 MONTHS ENDED	12 MONTHS ENDED
		DECEMBER	DECEMBER
		2017	2016
FERC Form			
Line 1			
	Tax Effect on Factored Accounts Rec Expenses	185,913.02	202,517.32
Line 15	Income Taxes - Federal (409.1)	(4,902,283.15)	(1,088,119.27)
409100211	Income Taxes UOI - State	-	-
409100212	Income Taxes UOI - State	-	-
409100214	Income Taxes UOI - State	-	-
409100215	Income Taxes UOI - State	-	(30,123.16)
409100216	Income Taxes UOI - State	16,478.83	(69,887.07)
409100217	Income Taxes UOI - State	493,590.69	-
Line 16	Income Taxes - Other (409.1)	510,069.52	(100,010.23)
4101001	Prov Def I/T Util Op Inc-Fed	12,040,716.73	3,698,507.94
4101002	Prov Def I/T Util Op Inc-State	1,112,142.59	-
Line 17	Provision for Deferred Income Taxes (410.1)	13,152,859.32	3,698,507.94
4111001	Prv Def I/T-Cr Util Op Inc-Fed	4,384,874.66	1,971,184.00
4111002	Prv Def I/T-Cr UtilOpInc-State	2,782,686.34	-
Line 18	(Less) Provision for Deferred Income Taxes-Cr (411.1)	7,167,561.00	1,971,184.00
Line 19	Investment Tax Credit Adj. - Net (411.4)	0.00	0.00
Line 20	(Less) Gains from Disp. Of Utility Plant (411.6)	0.00	0.00
Line 21	Losses from Disp. Of Utility Plant (411.7)	0.00	0.00
Line 22	(Less) Gains from Disposition of Allowances (411.8)	0.00	0.00
Line 23	Losses from Disposition of Allowances (411.9)	0.00	0.00
Line 24	Accretion Expense (411.10)	0.00	0.00
Line 25	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)	155,327,365.86	152,262,525.35
Line 26	Net Util Oper Inc (Enter Tot. line 2 less 25) Carry to Pg 117, line 27	7,002,427.97	2,417,808.58
Line 27	Net Util Oper Inc (Carried FORWARD FROM PAGE 114)	7,002,427.97	2,417,808.58
Line 28	Other Income and Deductions		
Line 29	Other Income		
Line 30	Nonutility Operating Income		
Line 31	Revenues From Merchandising, Jobbing & Contract Work (415)	0.00	0.00
Line 32	(Less) Costs and Exp. Merchandising, Job. & Contract Work (416)	0.00	0.00
Line 33	Revenues From Nonutility Operations (417)	0.00	0.00
Line 34	(Less) Expenses of Nonutility Operations (417.1)	0.00	0.00
Line 35	Nonoperating Rental Income (418)	0.00	0.00
Line 36	Equity in Earnings of Subsidiary Companies (418.1)	0.00	0.00
4190002	Int & Dividend Inc - Nonassoc	984.48	(818.02)
4190005	Interest Income - Assoc CBP	6,397.19	67.50
Line 37	Interest and Dividend Income (419)	7,381.67	(750.52)
4191000	Allw Oth Fnds Usd Drng Cnstr	17,769.71	-
Line 38	Allowance for Other Funds Used During Construction (419.1)	17,769.71	0.00
4210002	Misc Non-Op Inc-NonAsc-Rents	127.75	127.95
4210007	Misc Non-Op Inc - NonAsc - Oth	12,727.06	41.82
4210009	Misc Non-Op Exp - NonAssoc	(157.60)	(485.93)
Line 39	Miscellaneous Nonoperating Income (421)	12,697.21	(316.16)
Line 40	Gain on Disposition of Property (421.1)	0.00	0.00
Line 41	TOTAL Other Income (Enter Total of lines 31 thru 40)	37,848.59	(1,066.68)
Line 42	Other Income Deductions		
Line 43	Loss on Disposition of Property (421.2)	0.00	0.00
Line 44	Miscellaneous Amortization (425)	0.00	0.00
4261000	Donations	47,687.74	179,542.26
Line 45	Donations (426.1)	47,687.74	179,542.26
Line 46	Life Insurance (426.2)	0.00	0.00
4263001	Penalties	3,818.28	0.87
4263003	Penalties - Quality of Service	-	589.83
Line 47	Penalties (426.3)	3,818.28	590.70
4264000	Civic and Political Activity	45,635.91	53,269.03
4264001	Non-deduct Lobbying per IRS	45.77	-
Line 48	Exp. For Certain Civic, Political & Related Activities (426.4)	45,681.68	53,269.03

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

CPAD 1-1
Attachment 1

		12 MONTHS ENDED	12 MONTHS ENDED
		DECEMBER	DECEMBER
		2017	2016
FERC Form			
Line 1			
4265002	Other Deductions - Nonassoc	735.84	8,775.96
4265004	Social & Service Club Dues	4,044.35	11,395.41
4265007	Regulatory Expenses	563.40	711.52
4265009	Factored Cust A/R Exp - Affil	330,310.09	287,533.53
4265010	Fact Cust A/R-Bad Debts-Affil	200,869.96	291,087.39
4265033	Transition Costs	12.35	-
Line 49	Other Deductions (426.5)	536,535.99	599,503.81
Line 50	TOTAL Other Income Deductions(Total of lines 43 thru 49)	633,723.69	832,905.80
Line 51	Taxes Applic. To Other Income and Deductions		
408200515	Real Personal Property Taxes	-	-
408200516	Real Personal Property Taxes	-	9,803.90
408200517	Real Personal Property Taxes	9,800.00	-
408201416	St Lic-Registration Tax-Fees	-	67.00
Line 52	Taxes Other Than Income Taxes (408.2)	9,800.00	9,870.90
4092001	Inc Tax, Oth Inc&Ded-Federal	(1,240.57)	(17,902.99)
	Federal Income Taxes NonOperating	(1,240.57)	(17,902.99)
4265009	Factored Cust A/R Exp - Affil	330,310.09	287,533.53
4265010	Fact Cust A/R-Bad Debts-Affil	200,869.96	291,087.39
	Factored Accounts Rec Expenses	531,180.05	578,620.92
	Tax Effect on Factored Accounts Rec Expenses	185,913.02	202,517.32
Line 53	Income Taxes - Federal (409.2)	(187,153.59)	(220,420.31)
409200214	Inc Tax Oth Inc Ded - State	-	-
409200215	Inc Tax Oth Inc Ded - State	-	-
409200216	Inc Tax Oth Inc Ded - State	(3,237.54)	(3,218.57)
409200217	Inc Tax Oth Inc Ded - State	(409.82)	-
Line 54	Income Taxes - Other (409.2)	(3,647.36)	(3,218.57)
4102001	Prov Def I/T Oth I&D - Federal	128,477.17	2,964.15
Line 55	Provision for Deferred Inc. Taxes (410.2)	128,477.17	2,964.15
4112001	Prv Def I/T-Cr Oth I&D-Fed	80,857.97	65,803.94
Line 56	(Less) Provision for Deferred Income Taxes-Cr (411.2)	80,857.97	65,803.94
4115001	ITC Adj, Non-Util Oper - Fed	(50.00)	(362.00)
Line 57	Investment Tax Credit Adj.-Net (411.5)	(50.00)	(362.00)
Line 58	(Less) Investment Tax Credits (420)	0.00	0.00
Line 59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)	(133,431.75)	(276,969.77)
Line 60	Net Other Income and Deductions (Total of lines 41, 50, 59)	(462,443.35)	(557,002.71)
Line 61	Interest Charges		
Line 62	Interest on Long-Term Debt (427)	0.00	0.00
4280003	Amrtz Debt Dscnt&Exp-N/P	12,309.26	-
Line 63	Amort. Of Debt Disc. And Expense (428)	12,309.26	0.00
Line 64	Amortization of Loss on Reacquired Debt (428.1)	0.00	0.00
Line 65	(Less) Amort. Of Premium on Debt-Credit (429)	0.00	0.00
Line 66	(Less) Amortization of Gain on Reacquired Debt-Credit (429.1)	0.00	0.00
4300001	Interest Exp - Assoc Non-CBP	1,639,122.23	904,000.00
4300003	Int to Assoc Co - CBP	120,256.27	242,190.66
Line 67	Interest on Debt to Assoc. Companies (430)	1,759,378.50	1,146,190.66
4310001	Other Interest Expense	5,194.13	174.00
4310002	Interest on Customer Deposits	258,779.01	257,514.89
4310007	Lines Of Credit	72,718.74	91,423.18
4310023	Interest Expense - State Tax	635.00	1,341.00
Line 68	Other Interest Expense (431)	337,326.88	350,453.07
4320000	Allw Brrowed Fnds Used Cnstr-Cr	55,575.99	40,484.87
Line 69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)	55,575.99	40,484.87
Line 70	Net Interest Charges (Total of lines 62 thru 69)	2,053,438.65	1,456,158.86
Line 71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)	4,486,545.97	404,647.01
Line 72	Extraordinary Items		
Line 73	Extraordinary Income (434)	0.00	0.00
Line 74	(Less) Extraordinary Deductions (435)	0.00	0.00

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

CPAD 1-1
Attachment 1

		12 MONTHS ENDED	12 MONTHS ENDED
		DECEMBER	DECEMBER
		2017	2016
FERC Form			
Line 1			
Line 75	Net Extraordinary Items (Total of line 73 less line 74)	0.00	0.00
Line 76	Income Taxes-Federal and Other (409.3)	0.00	0.00
Line 77	Extraordinary Items After Taxes (line 75 less line 76)	0.00	0.00
Line 78	Net Income (Total of line 71 and 77)	4,486,545.97	404,647.01