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KPOW.95206

December 12, 2018

**VIA EMAIL (tpuc.docketroom@tn.gov) & FEDEX**

Robin Morrison, 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 Morrison:

We transmit herewith the following:

Joint Motion for Expedited Consideration of Stipulation and Settlement Agreement, or,  
Alternative Use of Settlement Agreement Calculations in 2019

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

Very sincerely yours,

**HUNTER, SMITH & DAVIS, LLP**



William C. Bovender

Enclosure: As stated

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

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**BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION  
NASHVILLE, TENNESSEE**

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

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**JOINT MOTION FOR EXPEDITED CONSIDERATION OF STIPULATION AND  
SETTLEMENT AGREEMENT, OR, ALTERNATIVE USE OF SETTLEMENT  
AGREEMENT CALCULATIONS IN 2019**

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Jointly come Petitioner, Kingsport Power Company, d/b/a AEP Appalachian Power ("KgPCo"), Intervenor, Consumer Advocate Unit of the Office of the Attorney General ("Consumer Advocate"), and Intervenor, East Tennessee Energy Consumers ("ETEC") (collectively, "Parties") and respectfully request the following relief from the Tennessee Public Utility Commission ("TPUC") relative to the Stipulation and Settlement Agreement that has been agreed to by these Parties and that has been filed with TPUC but is not on the December Conference Agenda for consideration by TPUC:

- 1.) The Procedural Schedule in this Docket was established by Order entered by the Hearing Officer effective September 19, 2018.
- 2.) The Parties adhered to said schedule, anticipating Docket 18-00038 would be heard at the December 2018 Conference, or, in the event the Docket Settled, that a Settlement Agreement could be considered.

3.) The Parties engaged in settlement negotiations before, on, and shortly after the November 30, 2018, date for settlement discussions as required by the Scheduling Order. A tentative settlement was reached.

4.) The Parties discussed the Settlement with the Hearing Officer on December 4, 2018, at the scheduled Pre-Hearing Telephone Conference. The only contingency prior to filing the Stipulation and Settlement Agreement was final approval by the Attorney General, which was promptly obtained.

5.) The formal Stipulation and Settlement Agreement was docketed on December 7, 2018. Thereafter, the Final Conference Agenda was posted and the consideration of said Stipulation and Settlement Agreement was not part of same.

6.) The Parties would show unto the TPUC that the agreed to rate reduction in the form of a percentage credit (Percentage Credit) contained in the Stipulation and Settlement Agreement will benefit KgPCo's customers and, therefore, should be allowed to become effective January 1, 2019.

7.) As such, the Parties request, if possible, a separate, noticed hearing concerning same before January 1, 2019, so that the TPUC can consider, and, hopefully, approve same, and allow the Percentage Credit contained in the Stipulation and Settlement Agreement to become effective as early as possible.

8.) In the alternative, if the TPUC is not in a position to consider the Stipulation and Settlement Agreement in 2018, the Parties would request same be considered at the January 2019 Conference or, at a special hearing, so that the Stipulation and Settlement Agreement can be

implemented effective February 1, 2019, using the same Percentage Credit as would have been utilized if the Stipulation and Settlement Agreement had become effective January 1, 2019.

9.) In essence, the Percentage Credit and the procedures discussed in the Stipulation and Settlement Agreement would be effective for eleven (11) months, with any true-up reflected in KgPCo's October 2019 filing, where all calculations would be reviewed and adjustments made, if required, before a new percentage credit becomes effective in 2020.

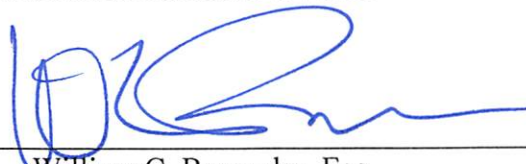
10.) It would impose a significant hardship on the Parties, customers, and the TPUC if the Parties were required to, essentially, re-negotiate the numbers and other terms and conditions in the Stipulation and Settlement Agreement.

PREMISES CONSIDERED, KgPCo, the Consumer Advocate and ETEC pray that the TPUC grant the relief discussed herein by either (1) conducting an expediated, noticed hearing to consider the Stipulation and Settlement Agreement before January 1, 2019; OR (2) consider and approve the Stipulation and Settlement Agreement at the January 2019, Conference, or at a special hearing in January 2019, and permit the Percentage Credit and procedures set forth in said Agreement to be utilized for eleven (11) months of 2019 (February through December), with any true-up to be reflected in a new percentage credit to be effective during 2020.

Respectfully submitted this the 12<sup>th</sup> day of December, 2018.

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

By: \_\_\_\_\_



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**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that the foregoing **JOINT MOTION FOR EXPEDITED CONSIDERATION OF SETTLEMENT AGREEMENT OR ALTERNATIVE USE OF SETTLEMENT AGREEMENT CALCULATIONS IN 2019** has been served by mailing a copy of same by United States mail, postage prepaid, and Email, to below on this the 12<sup>th</sup> day of December, 2018, as follows:

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By: \_\_\_\_\_

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