

IN THE TENNESSEE PUBLIC UTILITY COMMISSION  
AT NASHVILLE, TENNESSEE

IN RE:	)	
	)	
PETITION OF KINGSPORT POWER	)	
COMPANY d/b/a AEP APPALACHIAN	)	
POWER FOR ANNUAL RECOVERY	)	Docket No. 18-00125
UNDER THE TARGETED RELIABILITY	)	
PLAN AND MAJOR STORM RIDER,	)	
ALTERNATIVE RATE MECHANISMS	)	
APPROVED IN DOCKET NO. 17-00032	)	

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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 Financial Division, Consumer Advocate Unit, of the Office of the Attorney General (Consumer Advocate), pursuant to Tenn. Code Ann. § 65-4-118, respectfully petitions the Tennessee Public Utility 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 Annual Recovery Under the Targeted Reliability Plan and Major Storm Rider, Alternative Rate Mechanisms Approved in Docket No. 17-00032 (Petition)* filed in this Docket by Kingsport Power Company d/b/a AEP Appalachian Power (Kingsport). For cause, Petitioner 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 utility services by initiating and intervening as a party in any matter or proceeding before the TPUC in accordance with the Uniform Administrative Procedures Act, Tenn. Code Ann. § 4-5-101 *et seq.*, and TPUC rules.

2. Kingsport is a public utility regulated by the TPUC and provides electric power distribution service to approximately 48,000 customers in Tennessee. All of Kingsport's electric power requirements are purchased from Appalachian Power Company.<sup>1</sup> The Utility's principal office is located in Kingsport, Sullivan County, Tennessee.

3. On November 30, 2018, Kingsport filed the *Petition*, in which Kingsport requests recovery of Targeted Reliability Plan (TRP) costs, in excess of those incorporated into rates in Kingsport's last general rate case, for the period October 2017 through September 2018.<sup>2</sup> Kingsport also requests recovery of similar incremental costs resulting from Major Storm (MS) recovery efforts during the same time period.<sup>3</sup>

4. Kingsport proposes to recover the TRP and MS costs by means of the TRP/MS Rider, as approved as an alternative rate mechanism under Tenn. Code Ann. § 65-5-103(d) in TPUC Docket No. 17-00032.<sup>4</sup> The TRP/MS Rider essentially permits the deferral of TRP and MS costs by Kingsport and authorizes recovery from, or refunds to, Kingsport's customers of operations and maintenance (O&M) and capitalized costs associated with the TRP (those which are not already included in base rates) and O&M expenses associated with a MS (to the extent they exceed the amount of major storm expense already included in base rates).<sup>5</sup>

5. In the *Petition*, Kingsport requests authority to recover deferred TRP and MS costs in the total amount of \$2,330,667.<sup>6</sup> The total is comprised of an under-recovery of \$2,224,484 for TRP costs and an under-recovery of \$106,193 for MS costs as of September 30, 2018.<sup>7</sup> After

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<sup>1</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>2</sup> *Petition*, page 3, paragraphs 5-6.

<sup>3</sup> *Id.*

<sup>4</sup> *Petition*, pages 1 and 3.

<sup>5</sup> Direct Testimony of Eleanor K. Keeton on Behalf of Kingsport Power Company d/b/a AEP Appalachian Power Before the TPUC in Docket 18-00125 (Keeton Direct Testimony), page 2, line 19, through page 3, line 16.

<sup>6</sup> *Petition*, page 3, paragraph 6.

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

determining the total TRP and MS costs, Kingsport grosses up this amount to include a prompt payment discount, resulting in a total revenue requirement recovery request in this Docket of \$2,366,170.<sup>8</sup> That total revenue requirement amount is then allocated by Kingsport among the rate classes in accordance with the allocation in Kingsport's most recent general rate case.<sup>9</sup>

6. Kingsport represents that under-recovered amounts requested in this Docket, if approved by the Commission, would increase rates paid by Kingsport's residential customers by \$1.33 per month in the service charge part of their bill.<sup>10</sup>

7. The interests of consumers, including without limitation the increase in rates to customers through the implementation of the TRP/MS Rider, may be affected by the determinations and orders made by the TPUC with respect to (a) the interpretation, application, and implementation of Tenn. Code Ann. § 65-5-103 and other relevant statutory and regulatory provisions and (b) the review and analysis of the documentation, financial spreadsheets, and materials provided by Kingsport.

8. Only by participating as a party in this proceeding 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

<sup>8</sup> Keeton Direct Testimony, page 4, lines 1-4.

<sup>9</sup> Keeton Direct Testimony, page 4, lines 5-10.

<sup>10</sup> Keeton Direct Testimony, page 4, lines 16-20.



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*TPUC Docket No. 18-00125 - Kingsport Power Company.*

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:

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This the 8th day of January, 2019.

  
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Wayne M. Irvin