

**TENNESSEE PUBLIC UTILITY COMMISSION**  
**PETITION OF**  
**Kingsport Power Company**  
**DOCKET NO. TPUC 18-00125**  
**Data Requests and Requests for the Production**  
**of Documents by the THE CONSUMER PROTECTION AND ADVOCATE DIVISION OF**  
**THE ATTORNEY GENERAL'S OFFICE**  
**CPAD Second Informal Set**  
**To Kingsport Power Company**

**Data Request CPAD Informal 2-1:**

Refer to the Company's response to CA 1-2 regarding a matrix of costs paid to third-party vendors through the TRP&MS Rider by month from October 2017 through September 2018. An analysis of the data submitted by the Company indicates the following amounts were paid to third-party vendors:

<b>VENDOR</b>	<b>PAYMENT</b>
Asplundh Tree Expert	\$497,275
Bank of America	1,322
Davey Resource Group	21,248
Davis H Elliot Company	1,431
Feggeler, Steven F	5
Geoforce Utility Technologies	68,271
Nelson Tree Service	829,958
Osmose Utilities Services	6,614
Safety management Group of Indiana	601
Townsend Tree	826,346
US Synergetic	1,715
<b>Total</b>	<b>\$2,254,785</b>

Confirm that the payments made to each vendor are correct. In addition, provide a description of the service that each vendor listed provided to the Company during the review period as part of the TRP&MS Rider. Finally, provide a copy of the Company's contract with each vendor listed above.

**Response CPAD Informal 2-1:**

The amounts and payees identified on the table contained in the question are correct in total and for each listed entity. The "Bank of America" and "Feggeler, Steven F" are not technically vendors as that term is commonly used and there are no contracts to provide for either of them. The amount paid to the Bank of America reflects incidental employee charges on a Company credit card for such things as travel expenses related to Kingsport's Tennessee Reliability Plan. The amount reimbursed to Steven Feggeler, a Region Forestry Supervisor with responsibility for vegetation management in Kingsport's service territory, was for tolls that Mr. Feggeler paid in cash while traveling to a safety oversight meeting with a contractor that provides vegetation management services in Kingsport's territory.

The requested contracts, which contain descriptions of the services to be provided thereunder, are CONFIDENTIAL and voluminous, as there are a number of contracts/amendments for all but one vendor applicable to the period covered by the Company's filing in this case. The table below contains a brief description of the services provided by the vendors for whom there are contracts, and identifies the file in which those contracts/amendments can be found. The CONFIDENTIAL disc containing those files is being shipped overnight for delivery to the CPAD on Friday, February 8, 2019, because the files are too voluminous to send by email.

<b>VENDOR</b>	<b>SERVICE PROVIDED</b>	<b>CONTRACT</b>
Asplundh Tree Expert	Vegetation management services	See CPAD Informal 2-1, Confidential folder Asplundh
Davey Resource Group	Distribution jobsite safety oversight	See CPAD Informal 2-1, Confidential folder Davey
Davis H Elliot Company	Distribution line work contractor	See CPAD Informal 2-1, Confidential folder Elliot
Geoforce Utility Technologies	Pole inspection and maintenance	See CPAD Informal 2-1, Confidential folder Geoforce
Nelson Tree Service	Vegetation management services	See CPAD Informal 2-1, Confidential folder Nelson
Osmose Utilities Services	Vegetation management services	See CPAD Informal 2-1, Confidential folder Osmose
Safety Management Group of Indiana	Distribution jobsite safety oversight	See CPAD Informal 2-1, Confidential folder Safety_Management
Townsend Tree	Vegetation management services	See CPAD Informal 2-1, Confidential folder Townsend
UC Synergetic (Corrected from "US Synergetic")	Distribution circuit inspector	See CPAD Informal 2-1, Confidential folder UC_Synergetic

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**Data Request CPAD Informal 2-2:**

Refer to the Company's response to CAI-3 regarding third-party invoices for the Targeted Reliability Plan that were recorded and paid in December 2017. Confirm whether the data submitted by the Company represents the actual third-party invoices received from different vendors during December 2017. Specifically, we note that this information appears to be internally generated by AEP, since it contains AEP logos and AEP accounting information. If these are AEP internally generated documents, then supplement your response with the actual third-party invoices.

**Response CPAD Informal 2-2:**

The invoices provided in the Company's response to CPAD Informal 1-3 are the actual invoices. In accordance with the provisions of the relevant contracts, copies of which were produced as part of the Company's response to CPAD Informal 2-1, the invoices were generated by AEP, and paid by Kingsport, based upon information inputted by the respective vendor into Kingsport's Contract Administration Management Payment Summary (CAMPS) system, as verified by its forestry representative.

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**Data Request CPAD Informal 2-3:**

Refer to the Company's response to CAI-3 regarding third-party invoices for the Targeted Reliability Plan that were recorded and paid in December 2017. The invoices supplied indicate that the monthly costs are charged to either Account 5930000 or 1070001. Identify the method used by the Company to allocate the charges to these different accounts.

**Response CPAD Informal 2-3:**

All of the costs reflected in the invoices contained in the Company's response to CPAD Informal 1-3 are related to vegetation management activities such as tree trimming and herbicide application. The classification of these costs as either O&M expense (Account 5930000) or capital (Account 1070001) is determined by the type of work performed. In general, trimming trees and clearing brush from previously cleared rights-of-way is charged to O&M expense as maintenance costs and the initial clearing of land and rights-of-way as well as the removal of large diameter trees from previously cleared rights-of-way is charged to capital accounts. See CPAD Informal 2-3, Attachment 1, for the Company's detailed accounting policy for vegetation management activities including descriptions of costs to capitalize versus expense.

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**Data Request CPAD Informal 2-4:**

Refer to Company Exhibit No. 1 (AWA) as attached to Company witness Allen's Testimony and specifically refer to the \$498,569 under the Major Storms heading and more specifically the Monthly O&M heading set out therein. Confirm and attest that none of the \$498,569 charged to O&M expense related to Major Storms recorded in September 2018 includes any items that should be capitalized.

**Response CPAD Informal 2-4:**

The Company confirms and attests that none of the \$498,569 charged to O&M expense related to the July 20, 2018 major storm recorded on the books in July through September 2018 includes any items that should be capitalized. Note that in addition to the \$498,569 charged to O&M expense for this major storm through September 2018, KgPCo recorded \$135,854 of capital costs, \$23,456 of retirements and \$11,986 of costs charged to other non-O&M, non-capital and non-retirement accounts on its books related to the July 20, 2018 major storm. These non-O&M costs totaling \$171,296 incurred for this storm through September 2018 are not included for recovery through the TRP&MS rider, consistent with the TPUC's Order in Docket No. 17-00032 (See pages 6-8 of Mr. Allen's direct testimony in this case).

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**Data Request CPAD Informal 2-5:**

Refer to Company Exhibit No. 1 (AWA) as attached to Company witness Allen's Testimony and specifically refer to the \$498,569 under the Major Storms heading and more specifically the Monthly O&M heading set out therein. Confirm and attest that none of the \$498,569 charged to O&M expense related to Major Storms recorded in September 2018 includes any restoration activity for customers outside of Tennessee.

**Response CPAD Informal 2-5:**

The Company confirms and attests that none of the \$498,569 charged to O&M expense related to the July 20, 2018 major storm recorded on the books in July through September 2018 includes any restoration activity for customers outside of Tennessee. As indicated in the direct testimony of Philip A. Wright filed in TPUC Docket No. 17-00143 on December 15, 2017, prior to the major storm that took place in 2018, the Company initiated a number of actions to enhance its procedures for identifying and assigning storm restoration costs by state in order to ensure the accuracy and reliability of storm related costs recorded on its books.