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March 15, 2019

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

Ms. Robin Morrison, Chairman
c/o Ectory Lawless, Dockets & Records Manager
Tennessee Public Utility Commission
502 Deaderick Street, 4th Floor
Nashville, TN 37243

Re: IN RE: PETITION OF KINGSFORT POWER
COMPANY d/b/a AEP APPALACHIAN POWER
FOR ANNUAL RECOVERY UNDER THE
TARGETED RELIABILITY PLAN AND MAJOR
STORM RIDER ("TRP&MS"), ALTERNATIVE
RATE MECHANISMS APPROVED IN DOCKET
NO. 17-00032
DOCKET NO.: 18-00125

Dear Chairman Morrison:

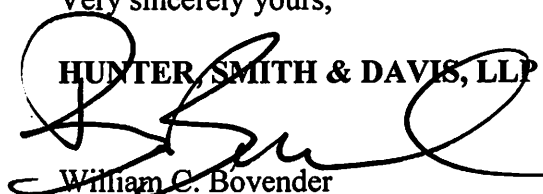
On behalf of Kingsport Power Company, we transmit herewith the following:

Rebuttal Testimony of Philip A. Wright
Rebuttal Testimony of A. Wayne Allen
Rebuttal Testimony of Eleanor K. Keeton

The originals and four (4) copies of each are being sent via Federal Express.

Very sincerely yours,

HUNTER, SMITH & DAVIS, LLP



William C. Bovender

Enclosures: As stated

Ms. Robin Morrison, Chairman

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**REBUTTAL TESTIMONY OF
PHILIP A. WRIGHT
ON BEHALF OF KINGSPORT POWER COMPANY D/B/A
AEP APPALACHIAN POWER
BEFORE THE
TENNESSEE PUBLIC UTILITY COMMISSION
DOCKET NO. 18-00125**

1 **Q. PLEASE STATE YOUR NAME.**

2 **A. My name is Philip A. Wright.**

3 **Q. ARE YOU THE SAME PHILIP A. WRIGHT WHO SUBMITTED DIRECT**
4 **TESTIMONY IN THIS PROCEEDING?**

5 **A. Yes.**

6 **Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?**

7 **A. I am responding to the direct testimony filed by William H. Novak, on behalf of The**
8 **Consumer Protection and Advocate Division (CPAD). Specifically, I am discussing**
9 **Kingsport Power's (KgPCo or the Company) 2017 System Average Interruption**
10 **Duration Index (SAIDI) performance in relation to its Targeted Reliability Plan**
11 **(TRP) and the definition of the term "Major Storm."**

12 **Q. PLEASE ADDRESS MR. NOVAK'S CONCERNS REGARDING KGPCO'S**
13 **SAIDI PERFORMANCE IN 2017.**

14 **A. While the Company is continually striving to improve its reliability performance, it**
15 **would like to stress that the vegetation management portion of the TRP began in early**
16 **2018. That is, the program was not implemented in time to have any effect on the**
17 **SAIDI performance for 2017. Further, a single year of SAIDI performance does not**
18 **indicate an overall trend. Because outage causes (storm activity, equipment failures,**
19 **vehicle accidents) can vary greatly from year to year, focusing on a particular year's**

1 performance may not provide a realistic impression of overall trends. Lack of
2 improvement for one year does not indicate that the proper reliability improvement
3 work is not being done. Overall improvement, especially to vegetation related
4 outages, would be expected once the vegetation management program is fully
5 implemented.

6 **Q. HOW DOES THE COMPANY DEFINE THE TERM “MAJOR STORM”?**

7 A. As stated in its response to the CPAD’s First Informal Discovery Request in this case,
8 question 1-11, “The Company uses IEEE Standard 1366-2012 to categorize major
9 events. This industry standard uses a statistical methodology to define major event
10 days (MEDs) and differentiate between normal operations and those during major
11 events. The daily System Average Interruption Duration Index (SAIDI) values for
12 the prior five years are statistically evaluated to determine a daily SAIDI threshold for
13 the upcoming year. If the daily SAIDI for a calendar day exceeds the pre-determined
14 threshold, it is considered a statistical outlier and that day is categorized as an MED.
15 Days below the daily threshold are categorized as days of normal operation. The
16 SAIDI minute threshold is converted to Customer Minutes of Interruption or CMI
17 using the formula $SAIDI = CMI / \text{Customers Served}$. The number of Customers
18 Served in the KgPCo service territory is approximately 48,000. The MED Threshold
19 for Kingsport of $818,815 \text{ CMI} / 48,077 \text{ customers served}$ equals a 17 SAIDI minute
20 Threshold. This is the equivalent of everyone’s power being off for 17 minutes in the
21 territory.” The Company equates “Major Storm” with “Major Event Day.”

1 **Q. HOW DO YOU RESPOND TO MR. NOVAK’S RECOMMENDATION THAT**
2 **THE COMPANY BE REQUIRED TO INCLUDE A DEFINITION FOR THE**
3 **TERM “MAJOR STORM” IN ITS TRP & MS RIDER TARIFF SHEETS?**

4 A. Adding a comprehensive definition of “Major Storm” like the one above to the TRP
5 & MS Rider tariff sheets would not be very constructive to those utilizing the tariff
6 sheets. However, if the Company is directed to do so by the Commission, it
7 recommends using the following sentence: The Company uses IEEE Standard 1366-
8 2012 to determine if a weather event qualifies as a Major Storm.

9 **Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?**

10 A. Yes, it does.