

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@hdsdlaw.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
Sarah Blessing Valk
Sydney B. Gilbert
Teresa Mahan Lesnak *
Michael A. Eastridge *
Jeannette Smith Tysinger*

**Of Counsel*

KPOW.97760

November 22, 2019

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

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 OCTOBER, 2018 – SEPTEMBER, 2019
ANNUAL RECOVERY UNDER THE
TARGETED RELIABILITY PLAN AND MAJOR
STORM RIDER (“TRP&MS”), ALTERNATIVE
RATE MECHANISMS APPROVED IN DOCKET
NO. 17-00032
DOCKET NO.: 19- 00106

Dear Chairman Morrison:

On behalf of Kingsport Power Company d/b/a AEP Appalachian Power, we transmit herewith the following:

Petition Of Kingsport Power Company d/b/a AEP Appalachian Power, For October, 2018 – September, 2019 Annual Recovery Under The Targeted Reliability Plan And Major Storm Rider (“TRP&MS”), Alternative Rate Mechanisms Approved In Docket No. 17-00032

Direct Testimony of A. Wayne Allen on Behalf of Petitioner Kingsport Power Company d/b/a AEP Appalachian Power Company. A. Wayne Allen’s original Attestation (Exhibit No. 3) is being included in the packet being shipped via FED EX delivery. KgPCo’s Exhibit No. 5 of A. Wayne Allen’s testimony is a disk containing a significant amount of information. That exhibit is not being electronically filed. Rather, we are submitting hard copies in the packet for distribution.


November 22, 2019

Direct Testimony of Eleanor K. Keeton on Behalf of Petitioner Kingsport Power Company
d/b/a AEP Appalachian Power Company

The originals, four (4) copies and CDs are being sent via Federal Express.

Also, enclosed is a check in the amount of \$25.00 for filing.

Very sincerely yours,


HUNTER, SMITH & DAVIS, LLP

William C. Bovender

Enclosure: As enumerated

cc:	Kelly Grams, General Counsel (w/enc.)	<i>Via U.S. Mail and Email: Kelly.Grams@tn.gov</i>
	David Foster (w/enc.)	<i>Via U.S. Mail and Email: david.foster@tn.gov</i>
	Monica L. Smith-Ashford, Esq. (w/enc.)	<i>Via U.S. Mail and Email: monica.smith-ashford@tn.gov</i>
	Michael J. Quinan, Esq. (w/enc.)	<i>Via U.S. Mail and Email: mquinan@t-mlaw.com</i>
	Wayne M. Irvin, Senior Assistant Attorney General (w/enc.)	<i>Via U.S. Mail and Email: wayne.irvin@ag.tn.gov</i>
	Daniel P. Whitaker, III, Esq. (w/enc.)	<i>Via U.S. Mail and Email: Daniel.Whitaker@ag.tn.gov</i>
	Karen H. Stachowski, Esq. (w/enc.)	<i>Via U.S. Mail and Email: Karen.Stachowski@ag.tn.gov</i>
	James R. Bacha, Esq. (w/enc.)	<i>Via Email: jrbacha@aep.com</i>

BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION

NASHVILLE, TENNESSEE

IN RE: PETITION OF KINGSFORT POWER)	
COMPANY d/b/a AEP APPALACHIAN POWER)	
FOR OCTOBER, 2018 – SEPTEMBER, 2019)	
ANNUAL RECOVERY UNDER THE)	DOCKET NO.: 19- <u>00106</u>
TARGETED RELIABILITY PLAN AND MAJOR)	
STORM RIDER (“TRP&MS”), ALTERNATIVE RATE)	
MECHANISMS APPROVED IN DOCKET NO. 17-00032)	

PETITION OF KINGSFORT POWER COMPANY, d/b/a AEP APPALACHIAN POWER, FOR OCTOBER, 2018 – SEPTEMBER, 2019 ANNUAL RECOVERY UNDER THE TARGETED RELIABILITY PLAN AND MAJOR STORM RIDER (“TRP&MS”), ALTERNATIVE RATE MECHANISMS APPROVED IN DOCKET NO. 17-00032

Comes Petitioner, Kingsport Power Company, d/b/a AEP Appalachian Power (herein, “KgPCo” or “Company”), and respectfully requests the Tennessee Public Utility Commission (herein, “TPUC”) grant KgPCo recovery of \$6,683,782 of deferred actual Targeted Reliability Plan (herein, “TRP”) costs and Major Storm (herein, “MS”) expenses that are not reflected in base rates. The TRP&MS Rider, approved by TPUC in Docket No. 17-00032, authorizes KgPCo to Petition to recover these incremental costs and expenses. Reference is hereby made to Order Granting the Petition in Docket No. 17-00032.

1. It is requested that any notices or other communications with respect to this Petition be sent to the following individuals on behalf of KgPCo:

A. William C. Bovender, Esq.
Joseph B. Harvey, Esq.
Hunter, Smith & Davis, LLP
PO Box 3740
Kingsport, TN 37665
Ph: (423) 378-8858; Fax: (423) 378-8801
Email: Bovender@hsdlaw.com

- B. William K. Castle, Director, Regulatory Services VA/TN
American Electric Power Service Corporation
Three James Center
Suite 1100 1051 E. Cary Street
Richmond, VA 23219-4029
Ph: (804) 698-5540
Email: wkcastle@aep.com
- C. James R. Bacha, Esq., Associate General Counsel
American Electric Power Service Corporation
1 Riverside Plaza
Columbus, OH 43215
Ph: (615) 716-1615
Email: jrbacha@aep.com
- Noelle J. Coates, Esq., Senior Counsel
American Electric Power Service Corporation
Three James Center
Suite 1100 1051 E. Cary Street
Richmond, VA 23219-4029
Ph: (804) 698-5541
Email: njcoates@aep.com

DESCRIPTION OF THE COMPANY AND JURISDICTION

2. KgPCo is a public utility with its principal office located in Kingsport, Tennessee, and is engaged in the business of distributing electric power to some 51,000 retail customers in its service area which includes the City of Kingsport, Tennessee, the Town of Mt. Carmel, Tennessee, and portions of Sullivan County, Washington County and Hawkins County, Tennessee. KgPCo's service area consists of 297 square miles and its distribution system includes more than 1,570 circuit miles of line. KgPCo's service area abuts in several areas the state line between Tennessee and Virginia. As a public utility operating in the electricity distribution business in Tennessee, KgPCo is subject to the regulation and supervision of TPUC.

3. Kingsport purchases all of its electric power requirements from Appalachian Power Company (herein, “APCo”), whose wholesale rates and charges are subject to the jurisdiction of the Federal Energy Regulatory Commission.

ACTION OF TPUC IN DOCKET NO. 17-00032

4. In Docket No. 17-00032, TPUC, citing T.C.A. § 65-5-103(d), found that the proposed “...ten-year TRP consisting of a Vegetation Management and Systems Improvement should improve service and the reliability of KgPCo’s infrastructure at reasonable costs to consumers.” (Order, Docket No. 17-00032, p. 10).

In addition, TPUC “...further found that the MS recovery mechanism to be a reasonable approach to account for and recover future costs related to storm damages.” (*Id.*).

5. Pursuant to the Order in Docket No. 17-00032, KgPCo filed a Petition for Annual Recovery Under the Targeted Reliability Plan and Major Storm Rider (“TRP&MS”), Alternative Rate Mechanisms on November 30, 2018 in Docket No. 18-00125. That filing resulted in a Stipulation and Settlement Agreement which was approved by TPUC by Order dated August 5, 2019. Pursuant to said Stipulation and Settlement Agreement and Order Approving same, KgPCo is further obligated in this and subsequent TRP&MS Rider proceedings to provide certain information and metrics as discussed in both said Settlement Agreement and Order.¹

6. In addition, said Stipulation and Settlement Agreement and Order of August 5, 2019 reflect that going forward, KgPCo will utilize IEEE Standard 1366-2012, or any successor thereto to determine which weather events, if any, qualify as Major Storms for purposes of recovering eligible costs under Rider TRP&MS.²

¹ See Settlement Agreement, Para. 12, page 4; and, Order, Section (3), page 8.

² Stipulation and Settlement Agreement, pp. 4, 5; Order, page 9.

7. KgPCo asserts that the filings contained herewith, as discussed herein and in the Pre-Filed Testimony of Eleanor K. Keeton and A. Wayne Allen, submitted herewith, comply with these additional filing requirements arising from Docket No. 18-00125.

8. October 1, 2018 – September 30, 2019 is the review period for this matter (“Review Period”).

9. In this Petition, KgPCo is requesting to recover \$6,683,782 of deferred actual TRP&MS under-recovered costs as of September 30, 2019, recorded on KgPCo’s books in Account 1823426, TRP&MS Under Recovery, consisting of an under-recovery of \$5,613,024 in TRP costs and an under-recovery of \$1,811,494 for major storm expenses offset by TRP&MS rider revenues of \$740,736. These under-recovery balances as of September 30, 2019 are also net of the annual level of such costs recovered through base rates of \$903,372 for TRP costs and \$392,376 for Major Storm expenses.

10. KgPCo submits in support of this Petition the following:

A. DIRECT TESTIMONY OF ELEANOR K. KEETON, including the following exhibits:

- KgPCo Exhibit No.1 (EKK): Kingsport Power Reliability Profile (October 1, 2018 – September 30, 2019)
- KgPCo Exhibit No. 2 (EKK): TRP&MS Rider Revenue Allocation and Rate Calculation
- KgPCo Exhibit No. 3 (EKK): TRP&MS Rider (clean and redline)
- KgPCo Exhibit No. 4 (EKK): Typical Bill Comparison

B. DIRECT TESTIMONY OF A. WAYNE ALLEN, including the following exhibits:

- KgPCo Exhibit No. 1 (AWA) is a summary of the monthly over or under-recovery of TRP&MS costs for the Review Period;
- KgPCo Exhibit No. 2 (AWA) is a schedule of revenues recorded from the TRP&MS Rider.
- KgPCo Exhibit No. 3 (AWA) is an attestation regarding the requested TRP&MS costs and expenses;
- KgPCo Exhibit No. 4 (AWA) is a summary by category of TRP&MS Operation and Maintenance (O&M) expenses incurred during the Review Period and a detailed listing of invoices paid related to such expenses.
- KgPCo Exhibit No. 5 (AWA) is general ledger detail of all TRP&MS O&M expenses incurred during the Review Period which is being supplied on disk.

11. As discussed in the Direct Testimony of Eleanor K. Keeton, the impact of the recovery sought under the TRP&MS Rider on a residential customer's bill will be an increase of approximately \$2.48 per month.

12. KgPCo will cause to be published in the Kingsport Times News, the newspaper of general circulation in KgPCo's service area, a NOTICE TO PUBLIC relative to this proceeding.

RELIEF REQUESTED

13. This Petition is filed pursuant to the Rules and Regulations of TPUC, Sections 1220-4-1-.02, 1220-4-1-.03, and 1220-4-1-.05 and T.C.A. § 65-5-103. KgPCo respectfully

requests TPUC grant KgPCo recovery for incremental Targeted Reliability Plan costs and Major Storm expenses as of September 30, 2019 in the amount of \$6,683,782, consisting of an under-recovery of \$5,613,024 for TRP costs and an under-recovery of \$1,811,494 for Major Storm O&M expenses offset by TRP&MS rider revenue of \$740,736. These under-recovery balances are net of the annual level of TRP costs and Major Storm expenses reflected in the Company's base rates per TPUC Order in Docket No. 16-00001.

WHEREFORE, KgPCo respectfully prays that TPUC issue an Order 1) permitting the cost recovery sought in this proceeding; and 2) approving the rates set forth in the Company's TRP & MS Rider, effective April 1, 2020 on a service rendered basis and granting such other relief as is appropriate under the circumstances.

Respectfully submitted this the 22nd day of November, 2019.

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

By: 

William C. Bovender, Esq.

Joseph B. Harvey, Esq.

HUNTER, SMITH & DAVIS, LLP

PO Box 3740

Kingsport, TN 37665

Ph: (423) 378-8858

OF COUNSEL:

James R. Bacha, Esq., Associate General Counsel
American Electric Power Service Corporation
1 Riverside Plaza
Columbus, OH 43215
Ph: (615) 716-1615; Fax: (614) 716-2950
Email: jrbacha@aep.com

Noelle J. Coates, Esq., Senior Counsel
American Electric Power Service Corporation
Three James Center
Suite 1100 1051 E. Cary Street
Richmond, VA 23219-4029
Ph: (804) 698-5541
Email: njcoates@aep.com

*Attorneys for Kingsport Power Company
d/b/a AEP Appalachian Power*

CERTIFICATE OF SERVICE

The undersigned hereby certifies that the foregoing **PETITION FOR OCTOBER, 2018 – SEPTEMBER, 2019 ANNUAL RECOVERY UNDER THE TARGETED RELIABILITY PLAN AND MAJOR STORM RIDER (“TRP&MS”), ALTERNATIVE RATE MECHANISMS APPROVED IN DOCKET NO. 17-00032** has been served by mailing a copy of same by United States mail, postage prepaid, and Email, to below on this the 22nd day of November, 2019, as follows:

Kelly Grams, General Counsel
Tennessee Public Utility Commission
502 Deaderick Street, 4th Floor
Nashville, TN 37243
Email: kelly.grams@tn.gov

David Foster, Chief-Utilities Division
Tennessee Public Utility Commission
502 Deaderick Street, 4th Floor
Nashville, TN 37243
Email: David.Foster@tn.gov

Monica L. Smith-Ashford
Tennessee Public Utility Commission
502 Deaderick Street, 4th Floor
Nashville, TN 37243
Email: monica.smith-ashford@tn.gov

Michael J. Quinan, Esq.
ThompsonMcMullan, P.C.
100 Shockoe Slip, 3rd Floor
Richmond, VA 23219
Email: mquinan@t-mlaw.com

Wayne M. Irvin, Senior Associated Attorney General
Office of the Tennessee Attorney General
Consumer Advocate Unit
Consumer Protection and Advocate Division
P.O. Box 20207
Nashville, Tennessee 37202-0207
Email: wayne.irvin@ag.tn.gov

HUNTER, SMITH & DAVIS, LLP

By: _____

William C. Bovender