

IN THE TENNESSEE PUBLIC UTILITY COMMISSION
AT NASHVILLE, TENNESSEE

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

PETITION TO INTERVENE

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 or Commission) 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 October, 2018 – September, 2019 Annual Recovery Under The Targeted Reliability Plan And Major Storm Rider ("TRP&MS"), Alternative Rate Mechanism 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 Commission and provides electric power distribution service to approximately 51,000 retail customers in Tennessee. All of Kingsport's electric power requirements are purchased from Appalachian Power Company.¹ The Utility's principal office is located in Kingsport, Sullivan County, Tennessee.

3. On November 22, 2019, 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 2018 through September 2019.² Kingsport also requests recovery of similar incremental costs resulting from Major Storm (MS) recovery efforts during the same time period.³

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. 17-00032.⁴ 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).⁵

¹ Kingsport states that Appalachian Power Company's rates and charges are subject to the jurisdiction of the Federal Energy Regulatory Commission. *Petition*, p. 3, ¶3.

² *Petition* at p. 3, ¶4 and p. 4, ¶8. See also Direct Testimony Eleanor K. Keeton on Behalf of Kingsport Power Company d/b/a AEP Appalachian Power (Keeton Direct Testimony), p. 3, TPUC Docket No. 19-00106 (November 22, 2019).

³ *Id.*

⁴ *Petition* at p. 3, ¶4 and Keeton Direct Testimony at p. 3, Ins. 14-17. See also *Order Granting Petition*, TPUC Docket No. 17-00032, p. 10 (November 9, 2017).

⁵ Keeton Direct Testimony at p. 3, Ins. 14-21.

5. In the *Petition*, Kingsport requests authority to recover deferred TRP and MS costs as of September 20, 2019 in the total amount of \$6,683,782.⁶ The total is comprised of an under-recovery of \$5,512,024 for TRP costs and an under-recovery of \$1,811,494 for MS costs offset by TRP&MS rider revenues of \$740,736.⁷ Per the Commission approved Settlement Agreement, the amount of \$6,683,782 excludes the Prompt Payment Discount.⁸ 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.⁹

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 \$2.48 per month in the service charge part of their bill.¹⁰

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.

⁶ *Petition* at p. 4, ¶9.

⁷ *Id.*

⁸ Keeton Direct Testimony at p. 5, lns. 15-17.

⁹ Keeton Direct Testimony at p. 6, lns. 2-6.

¹⁰ Keeton Direct Testimony at p. 6, lns. 14-17.

Consumer Advocate's Petition to Intervene
Tennessee Public Utility Commission Docket No. 19-00106
Signature Page

RESPECTFULLY SUBMITTED,



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CERTIFICATE OF SERVICE

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This the 18th day of December, 2019.



Karen H. Stachowski