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KPOW-97760

May 11, 2020

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

Robin Morrison, Chair
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 Chair Morrison:

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

TRP & MS RIDER TARIFF NUMBER 2

Same has been issued today and will become effective on June 1, 2020 per action of the Commission on this date.

The original and four (4) copies are being sent via Federal Express for overnight delivery.

Very sincerely yours,

HUNTER, SMITH & DAVIS, LLP



William C. Bovender

Enclosure: As stated

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TRP & MS RIDER

In accordance with Tennessee Code Annotated § 65-5-103 (d) (2) (A) (ii) and (iii), Kingsport Power is authorized under the terms of this rider to apply a charge to all customer bills on a service rendered basis to recover actually incurred TRP & MS (Targeted Reliability Plan & Major Storm) Rider costs.

1. Calculation of Targeted Reliability Program and Major Storm Rider Recovery

At least annually the Company will file information regarding actual Targeted Reliability Plan (TRP) costs and Major Storm (MS) expenses. The annual change in the Company's TRP & MS Rider recovery amount shall be calculated according to the following formula:

$$\text{TRP \& MSa} - \text{TRP \& MSr}$$

Where

TRP & MSa is the Company's Targeted Reliability Plan and Major Storm actual costs incurred by the Company for the period. The costs will be net of the reliability expenses and major storm expenses approved in the Company's most recent base case (an annual amount of \$1,295,753). In developing the Targeted Reliability Plan return on capital, the Company will use the most recent base case authorized rate of return.

TRP & MSr is the actual revenues received as a result of TRP & MS Rider rates in effect for the same period.

2. Updates to TRP & MS Rider Costs

TRP & MS Rider rates shall remain in effect until such time as new TRP & MS Rider rates are approved by the Tennessee Public Utility Commission.

3. Determination of Adjustments to Surcharges by Tariff

The Company will adjust the level of revenue recovery (positive or negative) under the TRP & MS Rider by the amount of the Calculation described in Section 1 and any remaining prior period over/under recovery balance. Prior period over/under recovery balances result from differences between the Company's actual costs as calculated in Section 1 and actual billing under the Rider in prior reporting periods. The Company will allocate the revenue requirement to the individual tariff class by application of the revenue allocation factors used in the Company's most recent base case, and will use the appropriate billing determinants, as determined in the Company's most recent base case, to develop the TRP & MS Rider tariff charges.

4. Notification of Change in Charge by the Company

The Company will provide no less than a 30-day notice of the proposed effective date in any change in the Rider charge to its customers. The Company will also provide the calculations and other information supporting the Rider charges to the Staff of the Tennessee Public Utility Commission in advance of the effective date of such charge.

TRP & MS RIDER

5. Charge

Pursuant to the provisions of this Rider, a TRP & MS Rider charge will be applied to each account under the Company's filed tariffs.

The TRP & MS Rider charge applicable to each tariff is set below:

<u>Tariff</u>	<u>Energy Rate</u>	<u>Demand Rate</u>	<u>Service Charge</u>
	(¢) / kWh	(\$)/ KW or *KVA	(\$)/Customer
<u>Residential</u>			\$3.81
<u>Residential Employee</u>			\$3.81
<u>Residential Time-of-Day</u>			\$3.81
<u>Small General Service (SGS)</u>			\$4.80
<u>Medium General Service (MGS) Secondary</u>		\$2.24	
<u>General Service Time-of-Day (GS-TOD)</u>	0.21897		
<u>Medium General Service (MGS) Primary</u>		\$2.16	
<u>Large General Service (LGS) Secondary*</u>		\$2.43	
<u>Large General Service (LGS) Primary*</u>		\$1.88	
<u>LGS Subtransmission/Transmission*</u>		\$1.84	
<u>Industrial Power (IP) Secondary</u>		\$0.88	
<u>Industrial Power (IP) Primary</u>		\$0.86	
<u>Industrial Power (IP) Subtransmission/Transmission</u>		\$0.81	
<u>Church Service</u>	0.84140		
<u>Public Schools (PS)</u>	0.67697		
<u>Electric Heating General (EHG)**</u>		\$2.23	
<u>Outdoor Lighting (OL)- (per Lamp)</u>			\$0.98

**Demand is measured in accordance with tariff.