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May 11, 2021

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

Dr. Kenneth C., Hill, 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, 2019 – SEPTEMBER, 2020
ANNUAL RECOVERY UNDER THE
TARGETED RELIABILITY PLAN AND MAJOR
STORM RIDER (“TRP&MS”), ALTERNATIVE
RATE MECHANISMS APPROVED IN DOCKET
NO. 17-00032
DOCKET NO.: 20-00127

Dear Chair Hill:

Kingsport Power Company has reviewed the Direct Testimony of Craig C. Cox filed in this Docket by the Consumer Advocate Unit in the Financial Division of the Tennessee Attorney General’s Office (“Consumer Advocate”) on April 16, 2021. While that testimony made two recommendations related to the Company’s next Targeted Reliability Plan and Major Storm (“TRP&MS”) rider proceeding in this Docket, it finds the “...submitted TRP&MS files, methodologies and calculations” of the Company to be reasonable and does not propose any adjustments to the Company’s proposed revenue requirements or tariff rider rates.

The Company is filing this letter in lieu of Rebuttal Testimony.

Kingsport Power Company does not object to the Consumer Advocate’s recommendation that the Company provide a running life-to-date comparison of TRP expenses each year similar in format to Mr.

Cox's Figure 1 as contained in his Direct Testimony, when making its Annual filing with TPUC. The Company agrees to provide detailed explanations for the years when expenditures are greater than, or substantially less than, original projections.

In addition, the Company agrees with the Consumer Advocate that the System Average Interruption Duration Index ("SAIDI") and the System Average Interruption Frequency Index ("SAIFI") are the two most relevant measures of the benefits derived from the TRP&MS mechanism.

There have been documented improvements in both reporting metrics over the reporting period ending September 30, 2020, compared with results for the corresponding period ending September 30, 2019, as discussed in the Company's pre-filed testimony. The Company does not disagree with Mr. Cox's recommendation that TPUC continue to be "vigilant" concerning the Company's reliability metrics in its ongoing assessment of whether this mechanism is in the public's interest. The Company believes the metrics will continue to reflect an improving reliability trend over time.

Should there be questions, contact the writer.

Very sincerely yours,

HUNTER, SMITH & DAVIS, LLP



William C. Bovender

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