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March 2, 2022

KPOW-10311

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

Dr. Kenneth C. Hill, Chairman
c/o Ectory Lawless, Dockets & Records Manager
Tennessee Public Utility Commission
502 Deaderick Street, 4th Floor
Nashville, TN 37243

Electronically Filed in TPUC Docket
Room on March 2, 2022 at 4:02 p.m.

Re: IN RE: PETITION OF KINGSFORT POWER
COMPANY d/b/a AEP APPALACHIAN POWER
FOR A GENERAL RATE CASE
DOCKET NO.: 21-00107

Dear Chairman Hill:

On behalf of Kingsport Power Company d/b/a AEP Appalachian Power, we transmit herewith the Response to ETEC's Second Discovery Requests. The original and four copies are being sent by overnight delivery. Additionally, the Public version will be made available in electronic format via the iManage System.

Should you have any questions, please do not hesitate to contact the undersigned.

Very sincerely yours,

HUNTER, SMITH & DAVIS, LLP



William C. Bovender

Enclosure: As stated

cc: Kelly Grams, General Counsel (w/enc.)
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BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION

NASHVILLE, TENNESSEE

IN RE:

DOCKET NO.: 21-00107

PETITION OF KINGSPORT POWER
COMPANY d/b/a AEP APPALACHIAN
POWER GENERAL RATE CASE

**RESPONSES OF KINGSPORT POWER COMPANY
TO SECOND INFORMAL DISCOVERY REQUESTS BY
THE EAST TENNESSEE ENERGY CONSUMERS**

Comes Petitioner, Kingsport Power Company d/b/a AEP Appalachian Power ("Company" or "KgPCo"), pursuant to the Rules & Regulations of the Tennessee Public Utility Commission ("TPUC") and the Tennessee Rules of Civil Procedure, and hereby submits its responses to East Tennessee Energy Consumers' ("ETEC") Second Set Discovery Requests; subject to general objections set forth herein below or any objections to individual requests as contained in said responses.

GENERAL STATEMENTS AND OBJECTIONS

The responses set forth herein constitute the best information presently available to KgPCo. The answers set forth herein are provided without prejudice to KgPCo's right to timely amend, supplement, or change said answers if and when additional, different, or more accurate information becomes available, including the review of documents produced by intervenors. Moreover, said responses are subject to correction for inadvertent errors or omissions, if any such errors or omissions are later found to exist.

By responding to ETEC's discovery requests, KgPCo does not waive any objections that may be appropriate to the use, for any purpose, by any party, of any of the information contained

in the responses set forth herein or to the admissibility, relevancy, or materiality of such information as to any issue in this case.

The following General Objections apply to each of KgPCo's responses. Specific objections provided in response to any request are made without waiver of or prejudice to any General Objection.

1. KgPCo objects to ETEC's requests to the extent they seek to impose on KgPCo any obligations or responsibilities beyond those required by TPUC's Rules & Regulations, the Tennessee Rules of Civil Procedure, and/or the controlling Procedural Scheduled entered in this matter.

2. KgPCo objects to ETEC's requests to the extent they seek information protected by the attorney-client privilege, the work product doctrine, and/or any other applicable privilege or immunity (collectively referred to as "privileged" documents or information). Nothing contained in these responses is intended to be, or in any way constitutes, a waiver of any such applicable privilege or immunity.

3. An objection to a request based on privilege should not be construed as a representation that responsive information or documents exists or existed and is being withheld based upon the asserted privilege. Such an objection indicates only that the request is of such a scope as to potentially embrace privileged information or documents.

4. To the extent KgPCo responds to a discovery request to which it has objected, KgPCo reserves the right to maintain such objection with respect to any additional information responsive to such discovery request and such objections are not waived by the furnishing of such additional information.

5. KgPCo objects to ETEC's requests to the extent they seek information that is neither relevant to the issues in the case nor proportional to the needs of the case. KgPCo also objects to ETEC's requests to the extent they are overly broad.

6. KgPCo objects to ETEC's requests that contain terms or phrases that are vague, ambiguous, and undefined; call for speculation, conjecture or opinion; or are based on the assumption of facts not in evidence. Likewise, KgPCo's response to any particular interrogatory in no way constitutes acquiescence or agreement to any definition, characterization, or meaning proposed by ETEC.

7. All responses and any production of documents by KgPCo in response to ETEC's requests are made based on KgPCo's current knowledge and without waiver of any general or specific objections. KgPCo reserves the right to revise, modify, supplement and/or amend its responses, for form or substance.

Subject to said GENERAL OBJECTIONS and any specific objections made to individual requests as contained in these or upcoming responses, KgPCo responds to ETEC's Second Discovery Request as follows.

Kingsport Power Company d/b/a Appalachian
Power Company

By: William K. Castle
William K. Castle

Title: Director, Regulatory Services VA/TN

COMMONWEALTH OF VIRGINIA)

CITY OF RICHMOND)

WILLIAM K. CASTLE, being first duly sworn upon oath, deposes and says that he is the Director, Regulatory Services VA/TN for Kingsport Power Company d/b/a AEP Appalachian Power, the Petitioner in the above-entitled action, and that he is authorized to make this Affidavit on its behalf; that he has read the foregoing Responses to Discovery Requests, by him subscribed and knows the contents thereof; that there is no single person employed by or otherwise connected with Kingsport Power Company d/b/a AEP Appalachian Power, who has personal knowledge of all the facts and information requested herein; that said Responses were prepared with the assistance and advice of counsel and the assistance of various employees and representatives of the corporation upon which he has relied; that the Responses to Discovery Requests, set forth herein, subject to inadvertent or undiscovered errors, are based on, and therefore necessarily limited by, the records and information still in existence, presently recollected and thus far discovered in the course of the preparation of these Responses; that the foregoing Responses to Discovery Requests are thus based upon corporate knowledge and are true and correct to the best of his knowledge and belief; that consequently, Kingsport Power Company d/b/a AEP Appalachian Power reserves the right to make any changes in the Responses if it appears at any time that omissions or errors have been made therein or that more accurate information is available; and that subject to the limitations set forth herein, the said Responses are true to the best of his knowledge, information and belief.

William K. Castle

WILLIAM K. CASTLE

Sworn to and subscribed before me, this the 18th of January, 2022.

Catharine Meriwether Broadus

Notary Public

My Commission Expires: Sept. 30, 2025
Notary Registration No.: 7759549



CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and exact copy of the foregoing **CONFIDENTIAL RESPONSES OF KINGSPORT POWER COMPANY TO THE SECOND DISCOVERY REQUESTS BY THE EAST TENNESSEE ENERGY CONSUMERS** has been served upon the following by emailing a true and accurate copy on this the 2nd day of March, 2022:

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HUNTER, SMITH & DAVIS, LLP



William C. Bovender

**TENNESSEE PUBLIC UTILITY COMMISSION
PETITION OF
Kingsport Power Company
DOCKET NO. TPUC 21-00107 Rate Case Discovery
Data Requests and Requests for the Production
of Documents by the EAST TENNESSEE ENERGY CONSUMERS
ETEC Set 2
To Kingsport Power Company**

Data Request ETEC 2-1:

Please reconcile the price proposed by Kingsport in Rider R.E.C. for RECs of \$10.70/REC (\$0.0107/kWh) with the REC prices proposed by AEP affiliate APCo West Virginia in its Renewable Power Plus tariff of \$3.25/REC in the first year.

Response ETEC 2-1:

There are two major differences between the proposed Rider R.E.C.'s Option A and APCO's West Virginia Renewable Power Plus (RPP) tariff: the target audience and the source of the RECs.

APCO's West Virginia program was designed for large C&I customers with sustainability goals that want to hedge or have REC price certainty over a 10-year period. While residential customers will be able to participate under the same rate schedule without the long term commitment, APCO did not include marketing and program and administrative costs into its program as large C&I customers typically have managed accounts. Conversely, Option A in Kingsport Power's program was designed specifically for residential customers. For this reason a significant amount of the subscription proceeds collected under Option A will be used for marketing and program and admin costs. As proposed, approximately 44% of the rate will be used to market and manage the new program. The price proposed for the REC itself, \$6.00/MWh, falls within the S&P Global Market Intelligence Q3 2021 market forecast for National RECs (TX Wind). Please refer to Company witness Keeton's direct testimony and supporting EKK Workpaper 2 for more detailed rate derivation information.

The RECs that support APCO's West Virginia program come from owned resources and can therefore be offered at a fixed price over a 10-year period to customers. Kingsport Power will be procuring the RECs to serve this program from the National Market. For this reason, Kingsport Power will be evaluating the REC costs on an annual basis and will be making adjustments accordingly.

Option B in Kingsport Power's Rider R.E.C. is designed for C&I customers who wish to contract with the Company to directly purchase the electrical output and associated environmental attributes from a specific renewable generator. However, the Company is amenable to amending Option B to allow large customers to contract with the Company for REC purchases, should that be proposed in this case.