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May 12, 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 May 12, 2022 at 2:25 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 for filing the Supplemental Rebuttal Testimony of Katharine Walsh relative to the issue of street lighting in the above docket.

The original and four copies are being sent by overnight delivery.

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

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Page 2
May 12, 2022

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**SUPPLEMENTAL REBUTTAL TESTIMONY OF
KATHARINE WALSH
ON BEHALF OF KINGSPORT POWER COMPANY
D/B/A AEP APPALACHIAN POWER
BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION
DOCKET NO. 21-00107**

1 **Q. PLEASE STATE YOUR NAME.**

2 A. My name is Katharine Walsh.

3 **Q. ARE YOU THE SAME KATHARINE WALSH WHO SUBMITTED DIRECT**
4 **AND REBUTTAL TESTIMONY IN THIS PROCEEDING?**

5 A. Yes.

6 **Q. WHAT IS THE PURPOSE OF YOUR SUPPLEMENTAL REBUTTAL**
7 **TESTIMONY?**

8 A. I respond to the supplemental testimony of Consumer Advocate Unit (CA) witness
9 Novak regarding the Company's proposed LED Outdoor and Street Light offerings.

10 **Q. PLEASE DESCRIBE THE NATURE OF WITNESS NOVAK'S COMMENTS ON**
11 **THE LED LIGHTING PROPOSALS.**

12 A. Witness Novak states that the Company does not have adequate cost data to support its
13 proposed rates for LED lighting service for the Outdoor Lighting and Street Lighting
14 tariffs. He also disagrees with the Company's proposed maintenance costs for LED
15 lighting service.

16 **Q. DO YOU AGREE WITH HIS CONCLUSION THAT THE COMPANY DID NOT**
17 **PROVIDE ADEQUATE COST DATA?**

18 A. No. As attached to his supplemental testimony, the Company answered three rounds of
19 questions and provided six additional attachments in support of the rate design and the
20 underlying lamp cost information for the LED proposals.

1 **Q. DID WITNESS NOVAK STATE WHY HE DISAGREED WITH THE USE OF**
2 **INSTALL AND REMOVAL COSTS AS PART OF THE MAINTENANCE COST**
3 **CALCULATION?**

4 A. No.

5 **Q. DID YOU EXPLAIN WHY THE MAINTENANCE COST IS CALCULATED IN**
6 **SUCH A WAY?**

7 A. Yes, in response 3.22 as shown in Supplemental Attachment WHN-3.

8 **Q. IS IT A COMMON RATE DESIGN PRACTICE TO INCLUDE MAINTENANCE**
9 **COSTS IN LAMP RATE DESIGN?**

10 A. Yes. The Company has calculated a percentage of the monthly lamp cost to be considered
11 as maintenance. The amount is derived by including removal cost and install cost spread
12 over the life of the lamp. This is based on the assumption that the lamp will eventually
13 fail and require replacement. Including these costs properly prices the lamp by reflecting
14 the anticipated removal and replacement costs. Not including this in the price of the lamp
15 would under charge for the lamp and result in higher rate increases in the future.

16 **Q. DID WITNESS NOVAK PROPOSE ANY ALTERNATIVE CALCULATION OR**
17 **RECOMMENDATION?**

18 A. No.

19 **Q. DO THE KINGSPORT AFFILIATES APPALACHIAN POWER, WHEELING**
20 **POWER, AND KENTUCKY POWER COMPANIES INCLUDE MAINTENANCE**
21 **COSTS USING SIMILAR ASSUMPTIONS FOR LED LIGHTING SERVICE?**

22 A. Yes. In my experience working with these jurisdictions in which these utilities serve, the
23 LED rate design includes maintenance costs calculated using the same or similar

1 methods. Those proposals were universally approved by the respective state utility
2 commissions and LED lights are currently available to customers.

3 **Q. ARE THERE CURRENT KINGSPORT CUSTOMERS WHO ARE**
4 **ANTICIPATING HAVING LED OPTIONS AS A RESULT OF THIS**
5 **PROCEEDING?**

6 A. Yes. Numerous customers have contacted Kingsport personnel expressing their interest
7 in and desire for LED options.

8 **Q. WOULD IT BE A VALUABLE USE OF TIME AND RESOURCES FOR THE**
9 **COMPANY TO MAKE A SEPARATE FILING JUST FOR LED LAMP**
10 **OFFERINGS?**

11 A. No. I disagree with Witness Novak that the Commission should open a separate docket
12 to address the LED proposals. The Company has provided the information supporting the
13 development of the rates, which is the exact same information that would be provided
14 and used if there were a separate docket. It would be an unnecessary use of resources and
15 not to customers' benefit, as customers would wait even longer for LED options.

16 **Q. ARE LED LAMPS LESS EXPENSIVE THAN NON-LED LAMPS?**

17 A. Yes. LEDs are more efficient, and in most cases, far more so, than non-LED lamps.
18 Customers would pay lower monthly lamp prices if they were to switch to LED lamps at
19 the rates calculated and proposed in this proceeding.

20 **Q. DO YOU HAVE ANY CONCLUDING THOUGHTS?**

21 A. Yes. The Company has prepared and provided fully cost-supported LED lamps rates.
22 These more efficient, less expensive LED offerings should be approved and made
23 available to our customers that want to have them.

1 **Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?**

2 **A. Yes.**