

S. Morris Hadden  
William C. Bovender  
William C. Argabrite  
Jimmie Carpenter Miller  
Mark S. Dessauer  
Gregory K. Haden  
Michael L. Forrester  
Stephen M. Darden  
Edward J. Webb, Jr.  
James N. L. Humphreys<sup>1</sup>  
Suzanne Sweet Cook<sup>1</sup>  
Michael S. Lattier<sup>5,6</sup>  
Scott T. Powers

# HUNTER·SMITH·DAVIS

SINCE 1916

LLP

**Kingsport Office**  
1212 North Eastman Road  
P.O. Box 3740  
Kingsport, TN 37664  
Phone (423) 378-8800  
Fax (423) 378-8801

**Johnson City Office**  
100 Med Tech Parkway  
Suite 110  
Johnson City, TN 37604  
Phone (423) 283-6300  
Fax (423) 283-6301

Leslie Tentler Ridings  
Christopher D. Owens<sup>1,3</sup>  
Jason A. Creech  
Meredith Bates Humbert  
Joseph B. Harvey<sup>4</sup>  
Caroline Ross Williams<sup>1</sup>  
Marcy E. Walker<sup>2</sup>  
Sarah Blessing Valk  
Sydney B. Gilbert  
Joseph A. Matherly  
Will A. Ellis  
Jordan T. Richardson

**Respond to:**

Kingsport Office  
William C. Bovender  
423-378-8858, 423-534-7897 (mobile)  
bovender@hdsdlaw.com

All Attorneys Licensed in Tennessee  
Unless Noted

Additional Bar Memberships:  
VA<sup>1</sup>, NC<sup>2</sup>, KY<sup>3</sup>, GA<sup>4</sup>, FL<sup>5</sup>, MT<sup>6</sup>, CA only<sup>7</sup>

**Of Counsel:**

Jeannette Smith Tysinger  
John B. Buda<sup>7</sup>

[www.hdsdlaw.com](http://www.hdsdlaw.com)

June 28, 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 June 28, 2022 at 1:26 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 following:

1. Withdrawal of Motion for Leave to Allow David M. Roush to Present the Direct/Rebuttal Testimony of Witness Katharine I. Walsh.
2. Withdrawal of Motion for Leave to Allow Andy Carlin to Present the Rebuttal Testimony of Witness Vanessa Yvonne Oren.
3. Motion for Leave to Allow David M. Roush to Present the Direct/Rebuttal Testimony of Witness Michael H. Ward.

The originals and four copies of each are being sent by overnight delivery.

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

**HUNTER, SMITH & DAVIS, LLP**



William C. Bovender

Enclosure: As stated

cc: David Foster (w/enc.)  
Monica L. Smith-Ashford, Esq. (w/enc.)  
Michael J. Quinan, Esq. (w/enc.)  
Vance L. Broemel (w/enc.)  
Karen H. Stachowski (w/enc.)  
James R. Bacha, Esq. (w/enc.)  
Noelle J. Coates, Esq. (w/enc.)  
Joseph B. Harvey, Esq. (w/enc.)

*Via US Mail and Email: david.foster@tn.gov*  
*Via US Mail and Email: monica.smith-ashford@tn.gov*  
*Via US Mail and Email: mquinan@t-mlaw.com*  
*Via US Mail and Email: vance.broemel@ag.tn.gov*  
*Via US Mail and Email: Karen.Stachowski@ag.tn.gov*  
*Via Email: jrbacha@aep.com*  
*Via Email: njcoates@aep.com*  
*Via Email: jharvey@hstdlaw.com*

**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

**MOTION FOR LEAVE TO ALLOW DAVID M. ROUSH TO PRESENT THE  
DIRECT/REBUTTAL TESTIMONY OF WITNESS MICHAEL H. WARD ON BEHALF  
OF KINGSPORT POWER COMPANY d/b/a AEP APPALACHIAN POWER**

Comes Petitioner, Kingsport Power Company d/b/a AEP Appalachian Power ("KgPCo"), and respectfully requests that David M. Roush, Managing Director, Regulatory Pricing and Analysis of American Electric Power Service Corporation, be permitted to present the pre-filed direct and rebuttal testimony of Michael H. Ward. Mr. Ward has developed a conflict as he assumed different duties with the Company which prevents his testimony in person or by telephone.

Mr. Ward was Regulatory Consultant Staff, Regulated Pricing and Analysis, in the Regulatory Services Department of American Electric Power Service Corporation. He reported to Mr. Roush. Mr. Roush is thoroughly familiar with Mr. Ward's testimony and the subject matter discussed therein. He is equally qualified to be cross-examined by the other parties to the Docket. Mr. Roush will be present at the hearing in Nashville, Tennessee.

Attached as EXHIBIT 1 supporting this Motion is information concerning Mr. Roush. Attached as EXHIBIT 2 is the direct and rebuttal testimony of Mr. Ward which Mr. Roush will sponsor and present.

PREMISES CONSIDERED, Kingsport Power Company d/b/a AEP Appalachian Power requests the Commission allow Mr. Roush to present the direct and rebuttal testimony of Mr. Ward at the hearing on this Docket on July 11, 2022. FOR GOOD CAUSE SHOWN.

Respectfully submitted,

KINGSPORT POWER COMPANY  
d/b/a AEP APPALACHIAN POWER

BY: 

William C. Bovender, Esq. (BPR #000751)

Joseph B. Harvey, Esq. (BPR #028891)

Hunter, Smith & Davis, LLP

P.O. Box 3740

Kingsport, TN 37655

Tel: 423.378.8858

Email: [bovender@hdsdlaw.com](mailto:bovender@hdsdlaw.com)

Email: [jharvey@hdsdlaw.com](mailto:jharvey@hdsdlaw.com)

### **CERTIFICATE OF SERVICE**

The undersigned hereby certifies that the foregoing *MOTION FOR LEAVE TO ALLOW DAVID M. ROUSH TO PRESENT THE DIRECT/REBUTTAL TESTIMONY OF WITNESS MICHAEL H. WARD ON BEHALF OF KINGSPORT POWER COMPANY d/b/a AEP APPALACHIAN POWER* has been served upon the following by emailing a copy of same as follows, on this the 28th day of June, 2022.

VANCE L. BROEMEL (BPR #011421)

Senior Assistant Attorney General

KAREN H. STACHOWSKI (BPR #019607)

Assistant Attorney General

Office of the Tennessee Attorney General

Financial Division, Consumer Advocate Unit

P.O. Box 20207


Nashville, Tennessee 37202-0207

Email: [vance.broemel@ag.tn.gov](mailto:vance.broemel@ag.tn.gov)

Email: [karen.stachowski@ag.tn.gov](mailto:karen.stachowski@ag.tn.gov)

MICHAEL J. QUINAN  
ThompsonMcMullan, P.C.  
100 Shockoe Slip, Third Floor  
Richmond, VA 23219  
Tel.: (804) 799-4127  
Email: [mquinan@t-mlaw.com](mailto:mquinan@t-mlaw.com)

HUNTER, SMITH & DAVIS, LLP

By   
William C. Bovender

BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION

NASHVILLE, TENNESSEE

IN RE:

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

DOCKET NO.: 21-00107

1    **I.    PERSONAL DATA**

2    **Q.    PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3    A.    My name is David M. Roush, and my business address is 1 Riverside Plaza, Columbus,  
4        Ohio 43215.

5    **Q.    BY WHOM ARE YOU EMPLOYED AND WHAT IS YOUR POSITION?**

6    A.    I am employed by American Electric Power Service Corporation (AEPSC) as Managing  
7        Director – Regulated Pricing and Analysis. AEPSC supplies engineering, financing,  
8        accounting, planning, advisory, and other services to the subsidiaries of the American  
9        Electric Power (AEP) system, one of which is Ohio Power Company (AEP Ohio or the  
10       Company).

11   **Q.    WOULD YOU PLEASE DESCRIBE YOUR EDUCATIONAL AND**  
12   **PROFESSIONAL BACKGROUND?**

13   A.    I graduated from The Ohio State University (OSU) in 1989 with a Bachelor of Science  
14        degree in mathematics and a computer and information science minor. In 1999, I earned a  
15        Master of Business Administration degree from The University of Dayton. I have  
16        completed both the EEI Electric Rate Fundamentals and Advanced Courses. In 2003, I  
17        completed the AEP/OSU Strategic Leadership Program. In 1989, I joined AEPSC as a



1 Rate Assistant. Since that time, I have progressed through various positions and was  
2 promoted to my current position of Managing Director – Regulated Pricing and Analysis  
3 in April 2019.

4 **Q. WHAT ARE YOUR RESPONSIBILITIES AS MANAGING DIRECTOR –**  
5 **REGULATED PRICING AND ANALYSIS?**

6 A. My responsibilities include the oversight of the preparation of cost of service and rate  
7 design analysis for the AEP System operating companies and oversight of the preparation  
8 of special customer contracts and pricing.

9 **Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY IN ANY REGULATORY**  
10 **PROCEEDINGS?**

11 A. Yes. I have testified in several rate cases and other proceedings before the Public Utilities  
12 Commission of Ohio (Commission), the Indiana Utility Regulatory Commission, the  
13 Public Service Commission of Kentucky, the Michigan Public Service Commission, and  
14 the Public Service Commission of West Virginia. Before the Commission, I have testified  
15 in a number of cases, including Case Nos. 11-351-EL-AIR and 11-352-EL-AIR.

**DIRECT TESTIMONY OF  
MICHAEL H. WARD  
ON BEHALF OF KINGSPORT POWER COMPANY  
D/B/A AEP APPALACHIAN POWER  
BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION  
DOCKET NO. 21-00107**

**INTRODUCTION AND BACKGROUND**

1  
2 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND POSITION.**

3 A. My name is Michael H. Ward. My business address is 1 Riverside Plaza,  
4 Columbus, Ohio 43215. I currently hold the position of Regulatory Consultant  
5 Staff, Regulated Pricing and Analysis, in the Regulatory Services Department of  
6 AEPSC, a subsidiary of AEP, the parent Company of KgPCo.

7 **Q. WHAT ARE YOUR PRINCIPAL AREAS OF RESPONSIBILITY AS A**  
8 **REGULATORY CONSULTANT STAFF?**

9 A. I am responsible for assisting KgPCo and other AEP electric utility operating  
10 companies in the preparation of regulatory filings before this and other  
11 Commissions under whose jurisdiction these companies provide electric service.

12 **Q. PLEASE SUMMARIZE YOUR EDUCATIONAL BACKGROUND AND**  
13 **EMPLOYMENT HISTORY.**

14 A. I received my Bachelor of Science Degree in Business Administration from The  
15 Ohio State University in 1991. Following graduation, I entered the United States  
16 Marine Corps with a primary military specialty as an attack helicopter pilot  
17 serving approximately 11 years on active duty and another 11 years in the  
18 reserves. Upon completion of active duty time in the Marine Corps, I returned to  
19 The Ohio State University and received my Master of Business Administration  
20 Degree in 2002. I began my career with AEP in 2002 as a rotating associate. In



1 2004, I was recalled to active duty in the Marine Corps in support of the Global  
2 War on Terror. I returned to AEP in 2006 and joined the coal trading group. In  
3 2012, I became the manager of the coal trading desk. In 2015, I moved to the  
4 Fuel, Emissions, and Logistics group and was responsible for procuring coal,  
5 natural gas, fuel oil and other consumable products for AEP's unregulated power  
6 plants. I accepted my current position with Regulatory Pricing and Analysis in  
7 2018.

8 **I. PURPOSE OF DIRECT TESTIMONY**

9 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

10 A. The purpose of my testimony in this proceeding is as follows:

- 11 • To explain how the Company's CCOS study was developed.
- 12 • To describe how the Company's proposed revenue increase of  
13 approximately \$14.4 million was allocated among the various tariff  
14 classes.

15 **Q. ARE YOU SPONSORING ANY EXHIBITS?**

16 A. I am sponsoring the following exhibits:

17 ***Summary Exhibits***

- 18 • Exhibit No. 1-c (MHW) – KgPCo's Summary, by class, of the Income  
19 Statement, Rate Base, and Proposed Increase.

20 ***CCOS Exhibits***

- 21 • Exhibit No. 3-a (MHW) – KgPCo's CCOS Calculations;
- 22 • Exhibit No. 3-b (MHW) – KgPCo's Allocators for CCOS Calculations;
- 23 • Exhibit No. 3-c (MHW) – KgPCo's Input for CCOS Allocators.

***Revenue Allocations Exhibits***

- Exhibit No. 4-a (MHW) – KgPCo’s Revenue at Current and Equalized Rate-of-Return and Class Subsidies;
- Exhibit No. 4-b (MHW) – KgPCo’s Revenue with Allocation of Proposed Increase;
- Exhibit No. 4-c (MHW) – KgPCo’s Target Revenue by Class for Rate Design.

**Q. ARE YOU SPONSORING ANY MFRs?**

A. Yes. I am sponsoring MFR 83.

**Q. WERE THE EXHIBITS YOU ARE SPONSORING, PREPARED OR ASSEMBLED BY YOU OR UNDER YOUR DIRECTION?**

A. Yes.

**II. COST-OF-SERVICE SUMMARY**

**Q. WHAT DOES THE JURISDICTIONAL COST-OF-SERVICE STUDY DEMONSTRATE?**

A. The Company’s jurisdictional cost-of-service study indicates that KgPCo’s Retail Jurisdiction, at current rates has a base rate revenue deficiency of \$14,375,626 (Exhibit No. 1-a (KMJ)), which reflects the inclusion of the TRP&MS costs into base rates.

**Q. WHAT ARE THE RESULTING RATES OF RETURN (ROR) BY CLASS?**

A. The resulting current RORs for each customer class as shown in Exhibit No. 4-a (MHW) are presented in following table:

**TABLE 1**  
**Class Current Rates of Return**

<b>Class</b>	<b>Current ROR</b>
Residential	-5.74%
Small General Service	8.77%
Medium General Service	10.87%
Large General Service	13.96%
Industrial Power	39.19%
Electric Heating General	3.83%
Church Service	4.65%
Public Schools	-5.00%
Outdoor Lighting	3.15%
Street Lighting	2.61%
<b>KgPCo Retail</b>	<b>-0.83%</b>

1    **Q.    HOW DOES THE COMPANY PROPOSE TO ALLOCATE THE BASE**  
2        **RATE REVENUE INCREASE TO THE CUSTOMER CLASSES?**

3    **A.    The base rate revenue deficiency as discussed above from the JCOS was**  
4        **\$14,375,626. This amount includes \$7,489,062, which is the result of shifting the**  
5        **current TRP&MS rider into base rates. Because of the fact that the TRP&MS**  
6        **rider will be set to zero at the time the new base rates go into effect, the actual net**  
7        **revenue increase is \$6,886,576.**

8                **As shown in Exhibit 4-b (MHW), the following table summarizes the**  
9        **proposed rate increases:**

**TABLE 2**  
**Rate Increase**

Class	Gross Revenue Increase (\$)	Net Revenue Increase (\$)	Net Revenue Increase on Total Bill (%)
Residential	6,980,783	4,543,041	7.03%
Small General Service	390,259	103,879	3.40%
Medium General Service	1,510,029	404,918	3.40%
Large General Service	2,639,800	725,988	3.40%
Industrial Power	1,514,114	631,449	1.70%
Electric Heating General	448,926	101,134	3.40%
Church Service	127,852	34,923	3.40%
Public Schools	385,229	170,028	7.03%
Outdoor Lighting	144,789	61,743	7.03%
Street Lighting	233,856	109,473	7.03%
<b>KgPCo Retail</b>	<b>14,375,638*</b>	<b>6,886,576</b>	<b>4.68%</b>

\* There is a slight difference (\$12 dollars) between the JCOS and CCOS due to rounding.

1 **Q. DID YOU CALCULATE OTHER ALLOCATION METHODS?**

2 A. Yes. Although not being proposed by the Company, revenue allocations were  
 3 calculated in accordance MFR 83 that recover the deficiency by assigning:

4 (1) an equal percentage to each customer class; and

5 (2) the relative percentage of current class revenues to total revenues to  
 6 each customer class

7 Both of these methods produce the same result as is shown in MFR 83.

8 **III. CLASS COST-OF-SERVICE**

9 **Q. WHAT IS A CLASS COST-OF-SERVICE STUDY?**

10 A. A class cost-of-service study is a basic analytical tool used in traditional utility  
 11 rate design to determine the revenue requirement for the services offered by the

1 utility. It analyzes, at a very detailed level, the costs that different classes of  
2 customers impose on the utility system. It is used to determine the total  
3 functional costs incurred in serving each retail rate class as well as the rate of  
4 return on rate base earned from each class during the test year. This is  
5 accomplished by functionalizing, classifying and allocating the jurisdictional  
6 costs of serving KgPCo's retail customers to the various rate classes. When a  
7 cost-of-service study is completed and all of the costs are allocated to the  
8 customer classes, the Company is able to establish rates based on the costs to  
9 serve each customer class.

10 The CCOS Study is presented in Exhibit No. 3-a (MHW).

11 **Q. IN GENERAL TERMS, PLEASE DESCRIBE THE METHODS USED TO**  
12 **ASSIGN COSTS TO EACH RETAIL RATE CLASS.**

13 A. Data used in the class cost-of-service study is provided by the Company's  
14 jurisdictional cost-of-service study, Exhibit No. 2-a (KMJ). These costs are  
15 assigned to the different customer classes in a way that reflects the costs of  
16 providing utility service to each class. The Company assigns costs to customer  
17 classes using a standard three-step process: functionalization of costs,  
18 classification of costs, and allocation of costs.

19 **Q. PLEASE EXPLAIN THE FUNCTIONALIZATION PROCESS.**

20 A. Functionalization is the process of separating costs according to electric system  
21 functions. Typically, functions in an electric utility include the following:

- 22 1) Production and Purchased Power costs (not applicable to KgPCo);
- 23 2) Transmission costs (not applicable to KgPCo);

- 1                   3)     Distribution costs;  
2                   4)     Customer Service costs; and  
3                   5)     A&G costs.

4           The production function includes the costs associated with power generation and  
5           power purchases and their delivery to the bulk transmission system. The  
6           transmission function consists of costs associated with the high voltage system  
7           utilized for the bulk transmission of power to and from interconnected utilities to  
8           load centers of the utility's system. The production and transmission functions are  
9           not applicable to the KgPCo study. The distribution function includes the radial  
10          distribution system that connects the transmission system and the ultimate  
11          customer. The customer service function encompasses the costs associated with  
12          providing meter reading, billing and collection, and customer information and  
13          services. The A&G function is comprised of costs that may not be directly  
14          assignable to other cost functions. These costs include such items as management  
15          costs and administrative buildings. A&G costs are generally allocated to the  
16          remaining functions based on labor.

17   **Q.   PLEASE EXPLAIN THE CLASSIFICATION PROCESS.**

18   A.   The second step is to separate the relevant functionalized costs into classifications  
19       of demand costs and customer costs.

20               Typical cost classifications used in cost studies include the following:

<u>Function</u>	<u>Classification</u>
Distribution	Demand, Customer
Customer Service	Customer

1           Demand costs are associated with the kW demand imposed by the  
2           customer. These are fixed costs, which are incurred regardless of the level of  
3           energy sales. An example of a demand-related cost is the investment in  
4           distribution substation facilities.

5           Customer costs are directly related to the number of customers served.  
6           These are fixed costs which are incurred regardless of the level of energy sales.  
7           Meter and customer service costs are examples of costs whose levels are fixed by  
8           the number of customers.

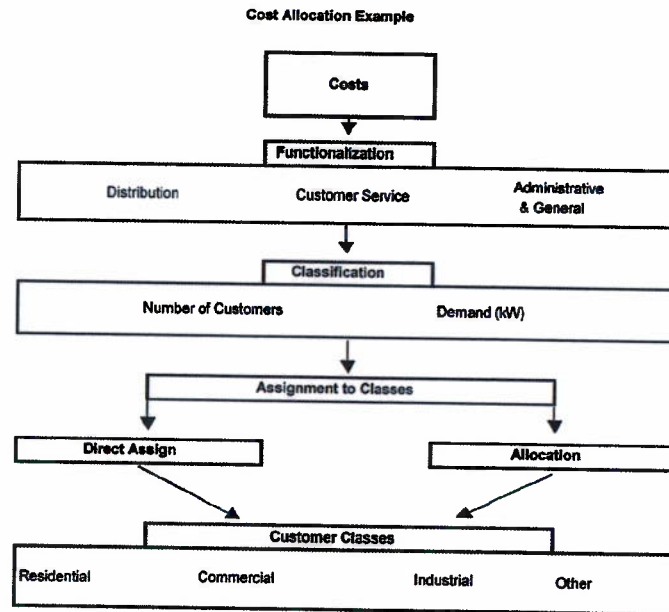
9   **Q. PLEASE EXPLAIN THE COST ALLOCATION PROCESS.**

10   **A.**   The third and final step is to allocate the functionalized and classified costs  
11           among the classes of customers based on how the costs are incurred to serve each  
12           class. Customer classes are determined and grouped according to the nature of  
13           service provided, voltage level, and the load usage characteristics. The three  
14           principal customer classes are residential, commercial, and industrial.

15           The allocation process involves multiplying the functionalized and  
16           classified costs by allocation factors, which results in costs assigned to each class.  
17           The objective in this process is to determine a reasonable, appropriate, and  
18           understandable method to assign the costs. Some costs are directly assignable to a  
19           single class, or even a single customer. For instance, the costs associated with the  
20           poles and luminaries used for street lighting are directly assigned to the street  
21           lighting class. Most costs, however, are attributable to more than one type of  
22           customer. These are joint costs that are allocated to customers by a fair and  
23           equitable allocation methodology that is based on the principles of cost causation.

The following flowchart (Figure 1) provides an overview of how the allocation of costs to customer classes is determined.

Figure 1:



In the illustration above, costs are functionalized into distribution, customer service, and A&G. Some of these costs can be functionalized and classified and directly assigned to a customer class. The remaining functionalized costs are assigned based on the number of customers or by the capacity demanded.

After functionalization, the next step is the classification process, which leads to an allocation methodology and the development of allocation factors. For example, the cost of billing customers varies with the number of customers as well as the complexity of preparing the customer's bill, so those costs associated with billing are allocated to the customer classes based on a weighted number of customers. An allocation factor using a weighted number of customers is

1 developed by multiplying the number of customers in each class by a factor  
2 representing the difference in cost associated with providing that service to each  
3 customer class.

4 The process is complete when all of the classified costs are either  
5 multiplied by an allocation factor or directly assigned. The resulting output is a  
6 fully allocated cost study that establishes cost responsibility, by class, and makes  
7 it possible to determine rates based on these costs that are just and reasonable.

8 **Q. WHAT CRITERIA ARE USED WHEN SELECTING ALLOCATION**  
9 **FACTORS FOR EACH FUNCTIONALIZED AND CLASSIFIED COST?**

10 A. Generally, the following criteria are used to determine the appropriateness of an  
11 allocation methodology:

- 12 1) The method should reflect the planning and operating characteristics  
13 of the utility's system.
- 14 2) The method should recognize customer class characteristics such as  
15 peak demand on the system, load diversity characteristics, and  
16 number of customers, etc.
- 17 3) The method should produce stable results on a year-to-year basis.
- 18 4) The method should cause customers who benefit from the use of the  
19 system to bear appropriate cost responsibility for the system.

20 **Q. DOES THE ALLOCATION METHOD EMPLOYED BY THE COMPANY**  
21 **MEET THESE OBJECTIVES?**

22 A. Yes, it does. The allocation methodology utilized in the Company's class cost-of-  
23 service study is consistent with industry standards and reflects the consideration of  
24 each of the criteria listed above. The results of the cost-of-service study can be

1           relied upon to determine the appropriate revenue requirement for the Kingsport  
2           Power Company customer classes.

3   **Q.   WERE THE CLASS ALLOCATION FACTORS MODIFIED TO**  
4           **REFLECT ADJUSTMENTS IN THE CASE?**

5   **A.**   Yes, the effects of the growth and weather adjustments on the number of  
6           customers and customer usage, to the extent applicable, were also reflected in the  
7           demand and customer allocation factors.

8   **Q.   PLEASE EXPLAIN THE ALLOCATION OF THE DISTRIBUTION**  
9           **PLANT ACCOUNTS.**

10   **A.**   For class allocation purposes, distribution plant was classified as demand and/or  
11           customer related and allocated to the KgPCo retail customer classes using factors  
12           based on demand levels or number of customers.

13               Line items classified as demand-related were allocated to the retail classes  
14           based on their average contribution to the Company's twelve monthly CP.

15               Distribution plant accounts 360 through 368 were classified solely as  
16           demand-related for class allocation purposes.

17               Account 360 – Distribution Land and Land Rights, Account 361 –  
18           Structures and Improvements, Account 362 – Station Equipment and Account 363  
19           – Storage Battery Equipment were allocated to the distribution customer classes  
20           based on the class contribution to the average of the Company's twelve monthly  
21           CP demands on the distribution system.

22               Account 364 – Poles, Towers and Fixtures, Account 365 – Overhead  
23           Conductors and Devices, Account 366 – Underground Conduit and Account 367  
24           – Underground Conductors and Devices were split into primary and secondary  
25           voltage functions based upon information available from the Company's records.  
26           The investments classified as serving the primary voltage function were allocated  
27           to the customer classes using the class average of the 12 monthly CP demands on  
28           the distribution system. The investments classified as serving the secondary

1 function were allocated based on a combination of each class' 12-month  
2 maximum demand and the summation of individual customers' annual maximum  
3 demands in each class served from those facilities. This process reflects the fact  
4 that some secondary facilities serve only one customer, while others serve two or  
5 more customers.

6 Account 368 – Line Transformers was allocated to the customer classes  
7 served from those facilities using the appropriate voltage demand allocation  
8 factors described above.

9 Account 369 – Services was classified as customer-related and was  
10 allocated using the number of secondary customers served.

11 Account 370 – Meters was allocated using the number of customers  
12 weighted by a factor which considers the weighted average cost of various  
13 metering installations.

14 Account 371 – Installations on Customer Premises was directly assigned  
15 to the outdoor lighting class.

16 Account 373 - Street Lighting and Signal Systems was directly assigned to  
17 the street lighting class.

18 **Q. HOW WERE GENERAL AND INTANGIBLE PLANT ASSIGNED TO**  
19 **THE CUSTOMER CLASSES?**

20 A. General and intangible plant were classified and allocated based on the functional  
21 O&M labor expense.

22 **Q. HOW WERE PLANT HELD FOR FUTURE USE AND CONSTRUCTION**  
23 **WORK IN PROGRESS ASSIGNED TO CUSTOMER CLASSES?**

24 A. Plant held for future use and construction work in progress were allocated by  
25 corresponding functional plant allocators.

26 **Q. PLEASE EXPLAIN THE ALLOCATION OF DEPRECIATION RESERVE.**

27 A. The functionalized components of depreciation reserve were obtained directly  
28 from the jurisdictional study. These components were then classified and  
29 allocated on the corresponding functional plant items.

1   **Q.   HOW WERE THE COMPONENTS OF WORKING CAPITAL**  
2       **ASSIGNED?**

3   A.   The functionalized components of materials and supplies were classified and  
4       allocated using the corresponding functional plant items. Prepayments related to  
5       payroll were allocated on labor; gross plant-related prepayments were classified  
6       and allocated on gross utility plant; functionalized prepayments were classified  
7       and allocated on the corresponding functional plant items.

8   **Q.   HOW WERE OTHER RATE BASE ITEMS CLASSIFIED AND**  
9       **ALLOCATED?**

10  A.   ADFIT was allocated based on gross utility plant. Customer deposits were  
11       assigned based on analysis of accounting records. Contributions in Aid of  
12       Construction and Customer Advances were classified and allocated on the  
13       respective functionalized gross utility plant.

14  **Q.   HOW WERE REVENUES DEVELOPED FOR EACH CLASS?**

15  A.   Sales revenue was directly assigned to each class.

16               Account 450 – Forfeited Discounts were directly assigned based on  
17       analysis of account records.

18               Account 451 – Miscellaneous Service Revenue was classified as  
19       customer-related and allocated on the number of customers. Miscellaneous  
20       Service Revenue related to the Reconnect Fee Adjustment was allocated based on  
21       gross utility plant.

22               Rent from Electric Property and Other Electric Revenue were  
23       functionalized in the jurisdictional study and allocated to classes based on the  
24       corresponding functional plant allocator.

1   **Q.    PLEASE EXPLAIN THE ALLOCATION OF DISTRIBUTION**  
2       **OPERATION AND MAINTENANCE EXPENSES.**

3   **A.    Distribution O&M expenses were classified according to the associated**  
4       distribution plant accounts and allocated accordingly.

5               Account 582 – Station Equipment Expenses was allocated based upon  
6       Account 362 – Station Equipment.

7               Account 583 – Overhead Line Expenses was allocated based upon  
8       Account 364 – Poles Towers and Fixtures and Account 365 – Overhead  
9       Conductors and Devices.

10              Account 584 – Underground Line Expenses was allocated based upon  
11       Account 366 – Underground Conduits and Account 367 – Underground  
12       Conductors and Devices.

13              Account 585 – Street Lighting was classified as customer-related and  
14       directly assigned to the street lighting class.

15              Account 586 – Meter Expense was classified as customer-related and  
16       allocated in the same manner as Account 370 – Meters.

17              Account 587 – Customer Installation Expense was classified as customer-  
18       related and allocated on the number of distribution level customers.

19              Account 581 – Load Dispatching, Account 588 – Miscellaneous Expense,  
20       and Account 589 – Rents were allocated on total distribution plant and classified  
21       accordingly.

22              Account 580 - Operation Supervision and Engineering was classified as  
23       demand and customer-related and allocated using the allocated subtotal of  
24       accounts 581 through 589.

25              Account 591 – Maintenance of Structures and Account 598 – Maintenance  
26       of Miscellaneous Distribution Plant were classified as demand-related and  
27       allocated on the basis of distribution plant.

28              Account 592 – Maintenance of Station Equipment was classified as  
29       demand-related and allocated on the basis of Account 362 – Station Equipment.

30              Accounts 593 – Maintenance of Overhead Lines, 594 – Maintenance of  
31       Underground Lines, and 595 – Maintenance of Line Transformers were classified  
32       according to the associated distribution plant accounts and allocated accordingly.

1                   Distribution maintenance account 596 – Maintenance of Street Lighting  
2                   was directly assigned to the street lighting class.

3                   Account 597 – Maintenance of Meters was classified as customer-related  
4                   and allocated in the same manner as Account 370 – Meters.

5                   Account 590 - Maintenance Supervision and Engineering was classified  
6                   and allocated based on the sum of the allocated O&M expense accounts 591  
7                   through 598.

8   **Q.   HOW WERE CUSTOMER ACCOUNTS (ACCOUNTS 901-905),**  
9                   **CUSTOMER INFORMATION (ACCOUNTS 907-910), AND CUSTOMER**  
10                  **SERVICE (ACCOUNTS 911-916) EXPENSES ALLOCATED?**

11   A.   Account 901 – Supervision and 905 – Miscellaneous Customer Accounts  
12           expenses were allocated based on the sum of the allocated Accounts 902, 903 and  
13           904. All customer accounting expenses were classified as customer-related.  
14           Account 902 – Meter Reading Expense was allocated to those classes with meter  
15           installations based upon the average number of customers. Account 903 –  
16           Customer Records and Collection Expense was divided into four categories of  
17           cost: (1) Billing, (2) Billing Other, (3) Call Center, and (4) Other. Each of these  
18           categories was then allocated based on the average number of customers weighted  
19           for estimated differences in customer record-keeping requirements. Account 904  
20           – Uncollectibles Expense was allocated based on the number of customers for  
21           each class.

22                   Accounts 907 through 910 – Customer Information Expense and Accounts  
23                   911 through 916 – Customer Service Expenses were primarily allocated on the  
24                   basis of number of customers.

25   **Q.   PLEASE DESCRIBE THE ALLOCATION OF A&G EXPENSE, AND**  
26                   **OTHER EXPENSES.**

27   A.   Regulatory Commission expenses were allocated on the basis of customers.  
28           Property Insurance was allocated by the corresponding functional plant allocators.  
29           A&G labor related expense was classified and allocated using total functional  
30           O&M labor expense. Factoring Expense was allocated to the customer classes on  
31           functional revenues.

1   **Q.   PLEASE DESCRIBE THE ALLOCATION OF DEPRECIATION AND**  
2       **AMORTIZATION EXPENSE.**

3   A.   The functionalized components of depreciation and amortization expense were  
4       allocated using the corresponding plant items excluding land.

5   **Q.   PLEASE DESCRIBE THE ALLOCATION OF THE VARIOUS TAX**  
6       **EXPENSES.**

7   A.   Individual other tax items were allocated and classified using the appropriate  
8       plant, revenue or expense item. State Income Tax was taken directly from the  
9       jurisdictional study and allocated to classes on the same basis as current FIT.  
10      Current FIT was allocated to each customer class based on pre-tax operating  
11      income. Deferred FIT was allocated to each customer class based upon net plant  
12      in service.

13  **Q.   HOW WERE THE OTHER REMAINING INCOME ITEMS**  
14       **ALLOCATED?**

15  A.   Interest on Customer Deposits was allocated to classes on the same basis as  
16      Customer Deposits. Allowance for Funds Used During Construction Expense  
17      was allocated to the retail classes based on the Company's total construction work  
18      in progress. Charitable Contributions was allocated using total functional O&M  
19      labor expense.

**FINDINGS**

**Q. IS EVERY CUSTOMER CLASS CONTRIBUTING EQUALLY TO THE TOTAL KINGSPORT RETAIL RATE OF RETURN?**

A. No. The results of the CCOS, as illustrated in the prior Table 1, Exhibit No. 1-c (MHW), and Exhibit No. 3-a (MHW), indicate that rates of return vary considerably among the various class and further adjustments in the cost alignment of the various retail rates should be considered in this case. The overall KgPCo retail return is -0.83%. Because the Residential and Public School classes have a return lower than the overall average, they are subsidized by the other classes whose returns are higher than the average return.

**Q. PLEASE EXPLAIN THE PRINCIPLES FOLLOWED IN ALLOCATING THE PROPOSED INCREASE AMONG THE TARIFF CLASSES.**

A. A major objective of ratemaking is to design rates such that they reflect as nearly as possible the actual costs of serving the customer (National Association of Regulatory Utility Commissioners, *Electric Utility Cost Allocation Manual*, 1992, pgs. 12-13). Meeting this objective requires that the rates of return for all classes be equalized. It must be recognized, however, that class rates of return should be brought to equalization gradually to avoid adverse economic impacts on individual customers.

**Q. WHAT CLASS BY CLASS NET REVENUE INCREASE IS THE COMPANY PROPOSING?**

A. The following table summarizes the Company's proposed initial net revenue increase by customer class prior to rate realignment. It shows that the rate

1 increases proposed in this case will produce an overall net revenue increase of  
2 4.68%.

**TABLE 3**  
**Rate Increase**

Class	Net Revenue Increase (\$)	Net Revenue Increase (%)
Residential	4,543,041	7.03%
Small General Service	103,879	3.40%
Medium General Service	404,918	3.40%
Large General Service	725,988	3.40%
Industrial Power	631,449	1.70%
Electric Heating General	101,134	3.40%
Church Service	34,923	3.40%
Public Schools	170,028	7.03%
Outdoor Lighting	61,743	7.03%
Street Lighting	109,473	7.03%
<b>KgPCo Retail</b>	<b>6,886,576</b>	<b>4.68%</b>

3 Company witness Castle explains the Company's rationale for the proposed  
4 allocation among classes. Revenue increase calculations and the resulting total  
5 revenues and percentage increase by class are presented in Exhibit No. 4-b  
6 (MHW).

7 **Q. IS THE PROPOSED REVENUE ALLOCATION EQUITABLY**  
8 **ALLOCATED AMONG THE VARIOUS RATE CLASSES?**

9 A. Yes. The Company initially calculated class rate increases based upon an  
10 equalized rate of return of 6.36%. However, as discussed by witness Castle, the  
11 Company sought to limit the impact of the revenue increase on any one class and  
12 as such instituted a cap and floor on the rate increase. The Company used the net

1 revenue increase of 4.68% as the basis for the cap and floor. Increases were  
2 capped at 7.03%, which is 1.5 times the 4.68% overall increase. The cap resulted  
3 in a shortfall that had to be made up by the other classes by creating a floor. In  
4 recognition of the need for industry to support the economy of the service  
5 territory, the industrial (IP) class floor was set 50% lower than the other classes  
6 that were subject to a floor. The result was a net revenue increase of 1.70% for  
7 the IP class and 3.40% for the other classes.

8 **Q. WHAT IS THE RESULTING RATE OF RETURN FOR EACH CLASS**  
9 **BASED ON THE COMPANY'S PROPOSED REVENUE ALLOCATION?**

10 A. The following table summarizes the initial RORs under the proposed revenue  
11 allocation along with the current ROR for each class as shown in Exhibit 4-b  
12 (MHW).

**TABLE 4**  
**Class Current and Proposed ROR**

Class	Current ROR	Proposed ROR
Residential	-5.74%	-0.62%
Small General Service	8.77%	16.72%
Medium General Service	10.87%	22.56%
Large General Service	13.96%	27.46%
Industrial Power *	39.19%	89.72%
Electric Heating General	3.83%	14.09%
Church Service	4.65%	12.14%
Public Schools	5.00%	5.40%
Outdoor Lighting	3.15%	6.29%
Street Lighting	2.61%	5.26%
KgPCo Retail	-0.83%	6.36%

\* NOTE: The Industrial Power (IP) class rate base is relatively small compared to its current revenue because rate base is primarily distribution, and IP customers are generally served at

transmission voltages. Therefore, relatively small increases in revenue can have relatively large impacts on the IP class rate of return.

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

2    **A.     Yes it does.**

**Exhibit No. 1-c (MHW)**

**KgpCo Class Cost of Service Study Summary**  
**12-Month Period Ending June 30, 2021**

KgpCo Exhibit No. 1-c  
Witness: MRW  
Page 1 of 1

Line No.	Description	Total Retail*	RS	SGS	MGS	LGS	IP	CS	PS	EHG	OL	SL
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1	Operating Revenues - Sale of Electricity	22,606,637	7,103,266	1,240,343	3,443,913	5,862,738	1,899,794	308,442	186,233	758,770	656,872	1,148,264
2	Other Electric Operating Revenues	1,065,720	776,681	35,365	82,381	80,777	10,919	6,935	12,047	22,208	29,153	29,276
3	Non-Firm Sales Revenues											
4	Total Operating Revenues	23,672,357	7,879,947	1,275,709	3,506,275	5,943,515	1,910,713	313,377	198,280	780,978	686,026	1,177,540
5	Operation and Maintenance Expenses											
6	Power Production											
7	Transmission											
8	Distribution											
9	Customer Accounts	7,997,543	5,490,745	165,967	573,175	872,758	122,597	72,853	161,207	189,298	56,895	292,048
10	Customer Service & Information	1,313,156	1,090,540	87,844	28,631	4,557	133	4,317	693	13,806	82,548	87
11	Sales Expense	113,355	89,621	8,074	3,104	1,273	1,714	441	216	1,407	7,492	12
12	Administrative and General	5,404	4,375	406	132	21	1	20	3	64	382	0
13	Other O & M	1,674,020	1,233,785	66,229	88,988	115,617	16,532	11,642	21,264	31,588	49,951	38,424
14	Total Operation and Maintenance Expense	439,467	138,086	24,112	113,970	115,970	36,931	5,957	3,620	14,750	12,769	22,322
15	Depreciation and Amortization Expense	11,542,946	8,047,151	352,632	760,980	1,108,197	177,909	98,230	187,003	250,913	210,038	
16	Taxes Other than Income	8,181,432	5,591,682	210,066	545,618	786,331	116,175	68,832	145,717	181,658	187,009	348,314
17	Charitable Contributions	6,643,771	2,785,605	308,518	849,923	1,416,901	426,201	80,310	73,004	201,509	180,616	321,185
18	Other Income / Expense (Incl. AFUDC)	28,703	20,880	985	1,644	2,254	324	213	415	571	674	743
19	Total Other Expenses	229,855	140,458	9,593	38,370	32,170	(241)	1,219	(301)	9,154	104	(670)
20	Net Operating Income Before Income Tax	15,093,761	8,538,624	529,192	1,435,555	2,247,655	542,459	150,574	218,836	392,891	368,402	669,572
21	Total State Income Tax	(2,964,351)	(8,705,829)	393,884	1,309,740	2,587,663	1,190,346	67,573	(207,559)	137,172	107,585	507,967
22	Federal Income Tax	(229,588)	(605,487)	21,999	81,742	165,561	115,302	3,725	(13,210)	7,836	(703)	(6,354)
23	Current Federal Income Tax											
24	Deferred Federal Income Tax	(309,481)	(1,597,194)	77,633	279,108	550,406	361,465	14,881	(33,488)	33,118	6,769	(2,179)
25	Deferred Investment Tax Credit	(1,207,035)	(743,669)	(22,547)	(83,873)	(135,250)	(149,731)	(9,519)	(24,632)	(26,904)	(5,413)	(5,496)
26	Total Federal Income Taxes	(1,516,526)	(2,340,863)	55,085	195,235	415,156	211,734	5,362	(58,130)	6,214	1,356	(7,675)
27	Net Operating Income	(1,218,237)	(5,759,479)	316,800	1,032,763	2,006,946	863,309	58,486	(136,219)	123,122	106,932	521,997
28	Electric Plant in Service	236,626,129	160,383,401	5,810,315	16,035,254	23,630,831	3,483,173	2,013,509	4,299,724	5,314,682	5,305,664	10,339,575
29	Accumulated Provision for Depreciation & Amortization	(80,022,393)	(54,162,865)	(1,949,350)	(5,439,533)	(8,025,516)	(1,183,421)	(682,654)	(1,459,985)	(1,801,429)	(1,792,610)	(3,525,031)
30	Working Capital Requirement	6,382,813	4,800,452	210,718	374,623	519,567	74,979	48,342	95,542	129,137	148,879	180,575
31	Other Rate Base Offsets	(15,928,621)	(10,536,898)	(460,125)	(1,471,546)	(1,747,673)	(171,649)	(122,728)	(211,883)	(426,352)	(270,160)	(509,607)
32	Rate Base	147,057,928	100,284,090	3,611,558	9,489,798	14,377,210	2,203,082	1,256,469	2,723,399	3,216,038	3,391,773	6,485,512
33	Rate of Return on Rate Base	-0.83%	-5.74%	8.77%	10.87%	13.96%	39.19%	4.65%	-5.00%	3.83%	3.15%	8.05%
34	Income Increase	10,571,123	5,133,318	286,977	1,110,400	1,941,177	1,113,404	94,016	283,278	330,118	106,470	171,966
35	Proposed Income	9,352,887	(626,161)	603,777	2,143,163	3,948,122	1,976,713	152,502	147,059	453,239	213,403	683,962
36	Proposed Rate of Return on Rate Base	6.36%	-0.62%	16.72%	22.56%	27.46%	89.72%	12.14%	5.40%	14.09%	6.29%	10.70%
37	Revenue Increase	14,375,638	6,980,783	390,259	1,510,029	2,639,800	1,514,115	127,852	385,229	448,926	144,789	233,856
38	Percentage Increase	63.59%	98.28%	31.46%	43.85%	45.03%	78.70%	41.72%	206.85%	59.17%	20.37%	20.37%
39	Proposed Revenue	36,982,275	14,084,049	1,630,603	4,953,942	8,502,539	3,413,909	434,294	571,462	1,207,696	801,661	1,382,120

**Exhibit No. 3-a (MHW)**

KINGSPORT POWER COMPANY  
CLASS COST-OF-SERVICE STUDY  
TWELVE MONTHS ENDING JUNE 30, 2021

KgPCo Exhibit No. 3-a  
Witness: MHW  
Page 1 of 14

Label	Constant	Allocation Factor	Function	Total			RS	SGS	MGS	Total LGS
				1	2	3				
<b>Rate Base</b>										
<b>P-T-D Plant in Service</b>										
Production										
Demand	-	PROD_DEMAND	TOTAL	-	-	-	-	-	-	-
Total	-		TOTAL	-	-	-	-	-	-	-
Transmission										
Bulk & Sub; Other	-	BULK_TRANS	TOTAL	-	-	-	-	-	-	-
Total	-		TOTAL	-	-	-	-	-	-	-
Distribution										
360 Land and Land Rights	3,626,886	DIST_CPD	TOTAL	3,626,886	2,491,407	57,376	275,903	498,805		
361 Structures and Improvements	7,327,151	DIST_CPD	TOTAL	7,327,151	5,033,219	115,912	557,388	1,007,701		
362 & 363 Station Equip. & Storage Battery	37,461,653	DIST_CPD	TOTAL	37,461,653	25,733,427	592,824	2,849,767	5,152,093		
364 Poles	32,106,935	DIST_POLES	TOTAL	32,106,935	22,922,195	610,699	2,363,059	3,705,462		
365 Overhead Lines	48,911,384	DIST_OHLS	TOTAL	48,911,384	34,875,395	925,111	3,603,892	5,680,942		
366 Underground Conduit	12,161,353	DIST_UGLINES	TOTAL	12,161,353	8,696,729	233,018	893,759	1,391,796		
367 Underground Lines	10,730,016	DIST_UGLINES	TOTAL	10,730,016	7,673,163	205,593	788,567	1,227,988		
368 Transformers	30,705,473	DIST_TRANSF	TOTAL	30,705,473	22,622,539	667,127	2,195,757	2,969,631		
369 Services	14,929,988	DIST_SERV	TOTAL	14,929,988	12,092,665	1,122,174	365,743	53,402		
370 Meters	6,591,749	DIST_METERS	TOTAL	6,591,749	4,048,094	629,458	985,880	340,932		
371 Installations on Cust Premises	3,181,022	DIST_OL	TOTAL	3,181,022	-	-	-	-		
373 Street Lighting	9,190,169	DIST_SL	TOTAL	9,190,169	-	-	-	-		
Total	216,923,779		TOTAL	216,923,779	146,188,833	5,159,091	14,879,715	22,028,753		
<b>Total P-T-D Plant in Service</b>	216,923,779		TOTAL	216,923,779	146,188,833	5,159,091	14,879,715	22,028,753		
<b>General &amp; Intangible Plant</b>										
General	16,064,508	LABOR_M	TOTAL	16,064,508	11,686,102	551,530	920,138	1,261,415		
Total	232,988,287		TOTAL	232,988,287	157,874,935	5,710,621	15,799,853	23,290,168		
<b>Total Electric Plant in Service</b>										
<b>Plant Held for Future Use</b>										
Production	-	RB_GUP_EPIS_P	TOTAL	-	-	-	-	-		
Transmission	-	RB_GUP_EPIS_T	TOTAL	-	-	-	-	-		
Distribution	187,481	RB_GUP_EPIS_D	TOTAL	187,481	126,347	4,459	12,860	19,039		
Total	187,481		TOTAL	187,481	126,347	4,459	12,860	19,039		
<b>Construction Work in Progress</b>										
General & Intangible	1,248,980	RB_GUP_EPIS_G	TOTAL	1,248,980	908,569	42,880	71,539	98,072		
Production	-	RB_GUP_EPIS_P	TOTAL	-	-	-	-	-		
Transmission	-	RB_GUP_EPIS_T	TOTAL	-	-	-	-	-		
Distribution	2,201,380	RB_GUP_EPIS_D	TOTAL	2,201,380	1,483,550	52,355	151,002	223,552		
Total	3,450,361		TOTAL	3,450,361	2,392,119	95,236	222,541	321,624		
<b>Other</b>	-	RB_GUP_EPIS_D	TOTAL	-	-	-	-	-		

**KINGSPORT POWER COMPANY**  
**CLASS COST-OF-SERVICE STUDY**  
**TWELVE MONTHS ENDING JUNE 30, 2021**

KgPCo Exhibit No. 3-a  
Witness: MHW  
Page 2 of 14

Label	Constant	Allocation		Function	Total						
		Factor			IP	CS	PS	EHG	QL	SL	
<b>Rate Base</b>						13	14	15	16	17	
<b>P-T-D Plant in Service</b>											
Production											
Demand	-	PROD_DEMAND			-	-	-	-	-	-	
Total	-				-	-	-	-	-	-	
Transmission											
Bulk & Sub; Other											
Total	-	BULK_TRANS			-	-	-	-	-	-	
	-				-	-	-	-	-	-	
Distribution											
360 Land and Land Rights	3,626,886	DIST_CPD			103,741	30,621	69,732	88,685	3,505	7,113	
361 Structures and Improvements	7,327,151	DIST_CPD			209,581	61,861	140,874	179,165	7,080	14,369	
362 & 363 Station Equip. & Storage Battery	37,461,653	DIST_CPD			1,071,529	316,280	720,249	916,018	36,198	73,467	
364 Poles	32,106,935	DIST_POLES			488,874	307,181	694,264	787,320	118,071	109,810	
365 Overhead Lines	48,911,384	DIST_OH LINES			766,563	466,123	1,053,725	1,199,283	175,446	164,904	
366 Underground Conduit	12,161,353	DIST_UGLINES			178,071	116,950	264,244	298,256	46,162	42,368	
367 Underground Lines	10,730,016	DIST_UGLINES			157,113	103,186	233,143	263,152	40,729	37,382	
368 Transformers	30,705,473	DIST_TRANSF			120,355	322,963	726,175	754,762	183,281	142,884	
369 Services	14,925,988	DIST_SERV			-	55,115	8,853	176,363	1,054,530	1,142	
370 Meters	6,591,749	DIST_METERS			156,180	84,094	93,846	253,266	-	-	
371 Installations on Cust Premises	3,181,022	DIST_OL			-	-	-	-	-	-	
373 Street Lighting	9,190,169	DIST_SL			-	-	-	-	3,181,022	-	
Total	216,923,779				-	-	-	-	-	-	
<b>Total P-T-D Plant in Service</b>					3,252,006	1,864,375	4,005,104	4,916,270	4,846,024	9,190,169	
<b>General &amp; Intangible Plant</b>											
	216,923,779				3,252,006	1,864,375	4,005,104	4,916,270	4,846,024	9,783,608	
<b>Total Electric Plant in Service</b>											
	16,064,508	LABOR_M			181,262	119,326	232,442	319,436	376,965	415,891	
<b>Plant Held for Future Use</b>											
Production											
Transmission	-	RB_GUP_EPIS_P			-	-	-	-	-	-	
Distribution	-	RB_GUP_EPIS_T			-	-	-	-	-	-	
Total	187,481	RB_GUP_EPIS_D			2,811	1,611	3,462	4,249	4,188	8,456	
	187,481				2,811	1,611	3,462	4,249	4,188	8,456	
<b>Construction Work in Progress</b>											
General & Intangible											
Production	1,248,980	RB_GUP_EPIS_G			14,093	9,277	18,072	24,835	29,308	32,335	
Transmission	-	RB_GUP_EPIS_P			-	-	-	-	-	-	
Distribution	-	RB_GUP_EPIS_T			-	-	-	-	-	-	
Total	2,201,380	RB_GUP_EPIS_D			33,002	18,920	40,644	49,891	49,178	99,286	
	3,450,361				47,095	28,197	58,716	74,727	78,487	131,620	
<b>Other</b>											
	-	RB_GUP_EPIS_D			-	-	-	-	-	-	

KINGSPORT POWER COMPANY  
CLASS COST-OF-SERVICE STUDY  
TWELVE MONTHS ENDING JUNE 30, 2021

KgPco Exhibit No. 3-a  
Witness: MHW  
Page 3 of 14

Label	Constant	Allocation Factor	Function	Total			
				Retail 1	RS 2	SGS 3	Total MGS LGS
<b>Electric Utility Plant</b>	236,626,129		TOTAL	236,626,129	160,393,401	5,810,315	16,035,254 23,630,831
<b>Accum. Depreciation and Amortization</b>							
Production	-	RB_GUP_EPIS_P	TOTAL	-	-	-	-
Bulk Transmission	-	BULK_TRANS	TOTAL	-	-	-	-
Distribution	(75,644,775)	RB_GUP_EPIS_D	TOTAL	(75,644,775)	(50,978,373)	(1,799,057)	(5,188,794) (7,681,777)
General & Intangible	(4,377,618)	RB_GUP_EPIS_G	TOTAL	(4,377,618)	(3,184,492)	(150,293)	(250,740) (343,739)
<b>Total</b>	(80,022,393)		TOTAL	(80,022,393)	(54,162,865)	(1,949,350)	(5,439,533) (8,025,516)
<b>Net Electric Plant in Service</b>	156,603,736		TOTAL	156,603,736	106,230,536	3,860,965	10,595,721 15,605,315
<b>Working Capital</b>							
Assets							
O&M; Lead / Lag Study	-	RB_GUP	TOTAL	-	-	-	-
Materials & Supplies - Gross Plant Related (154)	326,491	RB_GUP_EPIS_D	TOTAL	326,491	220,028	7,765	22,395 33,155
Prepayments-Payroll Related (165)	5,580,901	LABOR_M	TOTAL	5,580,901	4,059,818	191,604	319,661 438,223
Prepayments-Gross Plant Related (165)	53,819	RB_GUP	TOTAL	53,819	36,481	1,322	3,647 5,375
Prepayments-Distribution (165)	421,602	RB_GUP_EPIS_D	TOTAL	421,602	284,125	10,027	28,919 42,814
<b>Total Working Capital</b>	6,382,813		TOTAL	6,382,813	4,600,452	210,718	374,623 519,567
<b>Rate Base Offsets</b>							
Contr In Aid of Constr Advance (Acct. 2530124)	(130,128)	RB_GUP_EPIS_D	TOTAL	(130,128)	(87,696)	(3,095)	(8,926) (13,215)
Customer Deposits (Acct. 235)	(4,270,209)	CUST_DEP	TOTAL	(4,270,209)	(2,634,931)	(173,955)	(681,392) (583,178)
Accumulated Deferred FIT (Acct. 190.1/282.1/283.1)	(11,528,284)	RB_GUP	TOTAL	(11,528,284)	(7,814,271)	(283,075)	(781,228) (1,151,280)
Accumulated Deferred ITC (Acct. 255)	-	RB_GUP	TOTAL	-	-	-	-
<b>Total</b>	(15,928,621)		TOTAL	(15,928,621)	(10,536,898)	(460,125)	(1,471,546) (1,747,673)
<b>Total Rate Base</b>	147,057,928		TOTAL	147,057,928	100,294,090	3,611,558	9,498,798 14,377,210
<b>Operating Revenues</b>							
Firm Sales of Electricity	22,606,637	RSale	TOTAL	22,606,637	7,103,266	1,240,343	3,443,913 5,862,738
<b>Sales for Resale</b>							
Demand	-	PROD_DEMAND	TOTAL	-	-	-	-
Energy	-	PROD_ENERGY	TOTAL	-	-	-	-
<b>Total</b>	-		TOTAL	-	-	-	-
<b>Other Operating Revenues</b>							
Forfeited Discounts	222,224	FORF_DISC	TOTAL	222,224	181,757	5,161	13,187 14,372
Miscellaneous Service Revenue	200,176	MISC_SERV_REV	TOTAL	200,176	162,063	15,039	4,902 781
Mis. Serv. Rev. - Reconnect Fee Adjustment	(174,600)	RB_GUP	TOTAL	(174,600)	(118,350)	(4,287)	(11,832) (17,437)
Rent Assoc Co - Prod	-	RB_GUP_EPIS_P	TOTAL	-	-	-	-
Rent Assoc Co - Trans	-	RB_GUP_EPIS_T	TOTAL	-	-	-	-
Rent Assoc Co - Dist	76,952	RB_GUP_EPIS_D	TOTAL	76,952	51,860	1,830	5,278 7,815

KINGSPORT POWER COMPANY  
CLASS COST-OF-SERVICE STUDY  
TWELVE MONTHS ENDING JUNE 30, 2021

KgPco Exhibit No. 3-a  
Witness: MHW  
Page 4 of 14

Label	Allocation		Total		CS	PS	EHG	OL	SL
	Constant	Factor	Function	IP					
<b>Electric Utility Plant</b>	236,626,129		TOTAL	3,483,173	2,013,509	4,299,724	5,314,682	5,305,664	10,339,575
<b>Accum. Depreciation and Amortization</b>									
Production	-	RB_GUP_EPIS_P	TOTAL	-	-	-	-	-	-
Bulk Transmission	-	BULK_TRANS	TOTAL	-	-	-	-	-	-
Distribution	(75,644,775)	RB_GUP_EPIS_D	TOTAL	(1,134,026)	(650,137)	(1,396,643)	(1,714,382)	(1,689,886)	(3,411,700)
General & Intangible	(4,377,618)	RB_GUP_EPIS_G	TOTAL	(49,394)	(32,517)	(63,341)	(87,047)	(102,724)	(113,331)
<b>Total</b>	(80,022,393)		TOTAL	(1,183,421)	(682,654)	(1,459,985)	(1,801,429)	(1,792,610)	(3,525,031)
<b>Net Electric Plant in Service</b>	156,603,736		TOTAL	2,299,753	1,330,856	2,839,739	3,513,253	3,513,055	6,814,544
<b>Working Capital</b>									
Assets									
O&M; Lead / Lag Study	-	RB_GUP	TOTAL	-	-	-	-	-	-
Materials & Supplies - Gross Plant Related (154)	326,491	RB_GUP_EPIS_D	TOTAL	4,895	2,806	6,028	7,399	7,294	14,725
Prepayments-Payroll Related (165)	5,580,901	LABOR_M	TOTAL	62,971	41,455	80,752	110,974	130,960	144,483
Prepayments-Gross Plant Related (165)	53,819	RB_GUP	TOTAL	792	458	978	1,209	1,207	2,352
Prepayments-Distribution (165)	421,602	RB_GUP_EPIS_D	TOTAL	6,320	3,624	7,784	9,555	9,418	19,015
<b>Total Working Capital</b>	6,382,813		TOTAL	74,979	48,342	95,542	129,137	148,879	180,575
<b>Rate Base Offsets</b>									
Contr In Aid of Constr Advance (Acct. 2530124)	(130,128)	RB_GUP_EPIS_D	TOTAL	(1,951)	(1,118)	(2,403)	(2,949)	(2,907)	(5,869)
Customer Deposits (Acct. 235)	(4,270,209)	CUST_DEP	TOTAL	-	(23,513)	-	(164,475)	(8,764)	-
Accumulated Deferred FIT (Acct. 190.1/282.1/283.1)	(11,528,284)	RB_GUP	TOTAL	(169,698)	(98,097)	(209,480)	(258,928)	(258,489)	(503,738)
Accumulated Deferred ITC (Acct. 255)	-	RB_GUP	TOTAL	-	-	-	-	-	-
<b>Total</b>	(15,928,621)		TOTAL	(171,649)	(122,728)	(211,883)	(426,352)	(270,160)	(509,607)
<b>Total Rate Base</b>	147,057,928		TOTAL	2,203,082	1,256,469	2,723,399	3,216,038	3,391,773	6,485,512
<b>Operating Revenues</b>									
<b>Firm Sales of Electricity</b>									
<b>Sales for Resale</b>									
Demand	22,606,637	RSale	TOTAL	1,899,794	306,442	186,233	758,770	656,872	1,148,264
Energy	-	PROD_DEMAND	TOTAL	-	-	-	-	-	-
<b>Total</b>	-	PROD_ENERGY	TOTAL	-	-	-	-	-	-
<b>Other Operating Revenues</b>									
Forfeited Discounts	222,224	FORF_DISC	TOTAL	1,204	652	-	5,227	664	-
Miscellaneous Service Revenue	200,176	MISC_SERV_REV	TOTAL	23	739	119	2,364	14,133	15
Mis. Serv. Rev. - Reconnect Fee Adjustment	(174,600)	RB_GUP	TOTAL	(2,570)	(1,486)	(3,173)	(3,922)	(3,915)	(7,629)
Rent Assoc Co - Prod	-	RB_GUP_EPIS_P	TOTAL	-	-	-	-	-	-
Rent Assoc Co - Trans	-	RB_GUP_EPIS_T	TOTAL	-	-	-	-	-	-
Rent Assoc Co - Dist	76,952	RB_GUP_EPIS_D	TOTAL	1,154	661	1,421	1,744	1,719	3,471

KINGSPORT POWER COMPANY  
CLASS COST-OF-SERVICE STUDY  
TWELVE MONTHS ENDING JUNE 30, 2021

KgPCo Exhibit No. 3-a  
Witness: MHW  
Page 5 of 14

Label	Constant	Allocation Factor	Function	Total			RS	SGS	MGS	Total
				Retail	1	2				
								3		
Rent Non-Assoc Co - Prod	-	RB_GUP_EPIS_P	TOTAL	-	-	-	-	-	-	-
Rent Non-Assoc Co - Trans	-	RB_GUP_EPIS_T	TOTAL	-	-	-	-	-	-	-
Rent Non-Assoc Co - Dist	-	RB_GUP_EPIS_D	TOTAL	-	-	-	-	-	-	-
Rent ABD - Trans	-	RB_GUP_EPIS_T	TOTAL	-	-	-	-	-	-	-
Rent ABD - Pole Atch Dist	598,110	RB_GUP_EPIS_D	TOTAL	598,110	403,077	14,225	41,027	60,739	-	-
Other Electric Revenue - Prod	-	PROD_DEMAND	TOTAL	-	-	-	-	-	-	-
Other Electric Revenue - New - Demand	-	PROD_ENERGY	TOTAL	-	-	-	-	-	-	-
Other Electric Rev. Prod - New - Energy	-	RB_GUP_EPIS_T	TOTAL	-	-	-	-	-	-	-
Other Electric Revenue - Trans	142,857	RB_GUP_EPIS_D	TOTAL	142,857	96,274	3,398	9,799	14,507	-	-
Other Electric Revenue - Dist	-	RB_GUP_EPIS_D	TOTAL	-	-	-	-	-	-	-
Other Electric Revenue - Local Facil Dist	-	RB_GUP_EPIS_D	TOTAL	-	-	-	-	-	-	-
Total - Other Operating Revenues	1,065,720		TOTAL	1,065,720	776,681	35,365	62,361	80,777	-	-
Total Other Revenues	1,065,720		TOTAL	1,065,720	776,681	35,365	62,361	80,777	-	-
Total Operating Revenues	23,672,357		TOTAL	23,672,357	7,879,947	1,275,709	3,506,275	5,943,515	-	-
Operating Expense										
O&M Expense										
Production										
Demand	-	PROD_DEMAND	TOTAL	-	-	-	-	-	-	-
Energy & Fuel	-	PROD_ENERGY	TOTAL	-	-	-	-	-	-	-
Total	-		TOTAL	-	-	-	-	-	-	-
Transmission										
Bulk Transmission	-	BULK_TRANS	TOTAL	-	-	-	-	-	-	-
Total	-		TOTAL	-	-	-	-	-	-	-
Distribution Operation										
580 Supervision & Engineering	329,749	TOTOXEXP	TOTAL	329,749	204,296.04	8,649	22,026	30,027	-	-
581 Load Dispatching	-	RB_GUP_EPIS_D	TOTAL	-	-	-	-	-	-	-
582 Station Expenses	135,870	362 STATIONS	TOTAL	135,870	93,333	2,149	10,336	18,686	-	-
583 Overhead Lines	93,062	TOTOHINES	TOTAL	93,062	66,389	1,764	6,854	10,782	-	-
584 Underground Lines	49,722	TOTOGLINES	TOTAL	49,722	35,557	953	3,654	5,690	-	-
585 Street Lighting	131,778	DIST_SL	TOTAL	131,778	-	-	-	-	-	-
586 Meters	83,867	DIST_METERS	TOTAL	83,867	51,504	8,009	12,543	4,338	-	-
587 Customer Installs	48,121	DIST_PCUST	TOTAL	48,121	38,962	3,616	1,178	188	-	-
588 Miscellaneous Distribution	687,010	RB_GUP_EPIS_D	TOTAL	687,010	462,988	16,339	47,125	69,766	-	-
589 Rents	238,393	RB_GUP_EPIS_D	TOTAL	238,393	160,657	5,670	16,352	24,209	-	-
Total	1,797,572		TOTAL	1,797,572	1,113,686	47,148	120,069	163,686	-	-
Distribution Maintenance										
590 Supervision & Engineering	2,473	TOTMXEXP	TOTAL	2,473	1,746	47	181	283	-	-
591 Structures	6,850	RB_GUP_EPIS_D	TOTAL	6,850	4,616	163	470	696	-	-
592 Station Equipment	46,999	362 STATIONS	TOTAL	46,999	32,285	743	3,575	6,464	-	-
593 Overhead Lines	5,792,103	TOTOHINES	TOTAL	5,792,103	4,132,024	109,797	426,585	671,046	-	-

KINGSPORT POWER COMPANY  
CLASS COST-OF-SERVICE STUDY  
TWELVE MONTHS ENDING JUNE 30, 2021

KgPCo Exhibit No. 3-a  
Witness: MHW  
Page 6 of 14

Label	Constant	Allocation Factor	Function	Total IP	CS 13	PS 14	EHG 15	OL 16	SL 17
Rent Non-Assoc Co - Prod	-	RB_GUP_EPIS_P	TOTAL	-	-	-	-	-	-
Rent Non-Assoc Co - Trans	-	RB_GUP_EPIS_T	TOTAL	-	-	-	-	-	-
Rent Non-Assoc Co - Dist	-	RB_GUP_EPIS_D	TOTAL	-	-	-	-	-	-
Rent ABD - Trans	-	RB_GUP_EPIS_T	TOTAL	-	-	-	-	-	-
Rent ABD - Pole Atch Dist	-	RB_GUP_EPIS_D	TOTAL	-	-	-	-	-	-
Other Electric Revenue - Prod	598,110	RB_GUP_EPIS_P	TOTAL	8,967	5,141	11,043	13,555	13,362	26,976
Other Electric Revenue - New - Demand	-	PROD_DEMAND	TOTAL	-	-	-	-	-	-
Other Electric Rev. Prod - New - Energy	-	PROD_ENERGY	TOTAL	-	-	-	-	-	-
Other Electric Revenue - Trans	-	RB_GUP_EPIS_T	TOTAL	-	-	-	-	-	-
Other Electric Revenue - Dist	142,857	RB_GUP_EPIS_D	TOTAL	2,142	1,228	2,638	3,238	3,191	6,443
Other Electric Revenue - Local Facil Dist	-	RB_GUP_EPIS_D	TOTAL	-	-	-	-	-	-
Total - Other Operating Revenues	1,065,720		TOTAL	10,919	6,935	12,047	22,206	29,153	29,276
Total Other Revenues	1,065,720		TOTAL	10,919	6,935	12,047	22,206	29,153	29,276
Total Operating Revenues	23,672,357		TOTAL	1,910,713	313,377	198,280	780,976	686,026	1,177,540
Operating Expense									
O&M Expense									
Production									
Demand	-	PROD_DEMAND	TOTAL	-	-	-	-	-	-
Energy & Fuel	-	PROD_ENERGY	TOTAL	-	-	-	-	-	-
Total	-		TOTAL	-	-	-	-	-	-
Transmission									
Bulk Transmission	-	BULK_TRANS	TOTAL	-	-	-	-	-	-
Total	-		TOTAL	-	-	-	-	-	-
Distribution Operation									
580 Supervision & Engineering	329,749	TOTOXEXP	TOTAL	4,924	2,632	5,394	7,096	5,555	39,151
581 Load Dispatching	-	RB_GUP_EPIS_D	TOTAL	-	-	-	-	-	-
582 Station Expenses	135,870	362 STATIONS	TOTAL	3,886	1,147	2,612	3,322	131	266
583 Overhead Lines	93,062	TOTOHLINES	TOTAL	1,442	888	2,008	2,282	337	316
584 Underground Lines	49,722	TOTUGLINES	TOTAL	728	478	1,080	1,219	189	173
585 Street Lighting	131,778	DIST_SL	TOTAL	-	-	-	-	-	131,778
586 Meters	83,867	DIST_METERS	TOTAL	1,987	1,070	1,194	3,222	-	-
587 Customer Installs	48,121	DIST_PCUST	TOTAL	2	178	29	568	3,398	4
588 Miscellaneous Distribution	687,010	RB_GUP_EPIS_D	TOTAL	10,299	5,905	12,684	15,570	15,348	30,985
589 Rents	238,393	RB_GUP_EPIS_D	TOTAL	3,574	2,049	4,401	5,403	5,326	10,752
Total	1,797,572		TOTAL	26,843	14,346	29,403	38,683	30,283	213,426
Distribution Maintenance									
590 Supervision & Engineering	2,473	TOTMXEXP	TOTAL	38	23	53	60	11	31
591 Structures	6,850	RB_GUP_EPIS_D	TOTAL	103	59	126	155	153	309
592 Station Equipment	46,999	362 STATIONS	TOTAL	1,344	397	904	1,149	45	92
593 Overhead Lines	5,792,103	TOTOHLINES	TOTAL	89,753	55,285	124,966	142,025	20,984	19,640

KINGSPORT POWER COMPANY  
CLASS COST-OF-SERVICE STUDY  
TWELVE MONTHS ENDING JUNE 30, 2021

KgPCo Exhibit No. 3-a  
Witness: MHW  
Page 7 of 14

Label	Constant	Allocation Factor	Function	Total				Total MGS	Total LGS
				1	2	3	SGS		
594 Underground Lines	43,547	TOTUGLINES	TOTAL	43,547	31,141	834		3,200	4,984
595 Line Transformers	13,604	368 TRANSFORMERS	TOTAL	13,604	10,023	296		973	1,316
596 Street Lighting	47,894	DIST_SL	TOTAL	47,894	-	-		-	-
597 Meters	14,993	DIST_METERS	TOTAL	14,993	9,208	1,432		2,242	775
598 Miscellaneous Distribution	231,508	RB_GUP_EPIS_D	TOTAL	231,508	156,017	5,506		15,880	23,510
<b>Total</b>	<b>6,199,971</b>		<b>TOTAL</b>	<b>6,199,971</b>	<b>4,377,059</b>	<b>118,818</b>		<b>453,107</b>	<b>709,073</b>
Customer Accounts									
901 Supervision	19,226	TOTOX234	TOTAL	19,226	15,966	1,286		419	67
902 Meter Read	50,847	CUST_902	TOTAL	50,847	41,166	3,820		1,245	198
903 Customer Records	1,228,799	CUST_903	TOTAL	1,228,799	1,021,597	81,761		26,649	4,242
904 Uncollectibles	2,548	CUST_904	TOTAL	2,548	2,063	191		62	10
905 Miscellaneous	11,738	TOTOX234	TOTAL	11,738	9,748	785		256	41
<b>Total</b>	<b>1,313,158</b>		<b>TOTAL</b>	<b>1,313,158</b>	<b>1,090,540</b>	<b>87,844</b>		<b>28,631</b>	<b>4,557</b>
Customer Service & Infor. & Sales Exp									
907 Supervision	11,408	CUST_TOTAL	TOTAL	11,408	9,236	857		279	44
908 Customer Assist	93,187	CUST_TOTAL	TOTAL	93,187	75,444	7,001		2,282	363
908-Customer Assistance - DSM	157	DSM_DEM	TOTAL	157	81	2		11	19
908.1-Customer Assistance - Demand Response	7,105	DSM_DEM	TOTAL	7,105	3,647	101		496	841
909 Info & Instr	-	CUST_TOTAL	TOTAL	-	-	-		-	-
910 Miscellaneous	1,498	CUST_TOTAL	TOTAL	1,498	1,213	113		37	6
911 - 916 Sales Exp.	5,404	CUST_TOTAL	TOTAL	5,404	4,375	406		132	21
<b>Total</b>	<b>118,759</b>		<b>TOTAL</b>	<b>118,759</b>	<b>93,996</b>	<b>8,480</b>		<b>3,237</b>	<b>1,294</b>
Administrative & General Expense									
Reg Commission	227,539	CUST_TOTAL	TOTAL	227,539	184,216	17,095		5,572	887
Insurance - Transmission	-	RB_GUP_EPIS_T	TOTAL	-	-	-		-	-
Insurance - Distribution	49,912	RB_GUP_EPIS_D	TOTAL	49,912	33,637	1,187		3,424	5,069
A&G - Labor Related	1,396,569	LABOR_M	TOTAL	1,396,569	1,015,932	47,947		79,992	109,661
<b>Total</b>	<b>1,674,020</b>		<b>TOTAL</b>	<b>1,674,020</b>	<b>1,233,785</b>	<b>66,229</b>		<b>88,988</b>	<b>115,617</b>
Other Expenses									
Other O&M	-	RB_GUP_EPIS_D	TOTAL	-	-	-		-	-
Factoring Expense	439,467	RSale_D	TOTAL	439,467	138,086	24,112		66,949	113,970
Other O&M	-	RB_GUP_EPIS_D	TOTAL	-	-	-		-	-
<b>Total</b>	<b>439,467</b>		<b>TOTAL</b>	<b>439,467</b>	<b>138,086</b>	<b>24,112</b>		<b>66,949</b>	<b>113,970</b>
<b>Total O&amp;M Expense</b>	<b>11,542,946</b>		<b>TOTAL</b>	<b>11,542,946</b>	<b>8,047,151</b>	<b>352,632</b>		<b>760,980</b>	<b>1,108,197</b>
Depreciation & Amortization Expense									
Production	-	RB_GUP-Land_P	TOTAL	-	-	-		-	-
Bulk Transmission	-	RB_GUP-Land_T	TOTAL	-	-	-		-	-
Distribution	6,830,716	RB_GUP-Land_D	TOTAL	6,830,716	4,601,831	163,380		467,679	689,485
General & Intangible	1,360,716	RB_GUP-Land_D	TOTAL	1,360,716	989,851	46,716		77,939	106,846
<b>Total Depreciation &amp; Amort Expense</b>	<b>8,191,432</b>		<b>TOTAL</b>	<b>8,191,432</b>	<b>5,591,682</b>	<b>210,096</b>		<b>545,618</b>	<b>796,331</b>

KINGSPORT POWER COMPANY  
CLASS COST-OF-SERVICE STUDY  
TWELVE MONTHS ENDING JUNE 30, 2021

KgPCo Exhibit No. 3-a  
Witness: MHW  
Page 8 of 14

Label	Allocation		Function	Total						
	Constant	Factor		IP	CS	PS	EHG	OL	SL	
				13	14	15	16	17		
594 Underground Lines	43,547	TOTUGLINES	TOTAL	638	419	946	1,068	165	152	
595 Line Transformers	13,604	368 TRANSFORMERS	TOTAL	53	143	322	334	81	63	
596 Street Lighting	47,894	DIST_SL	TOTAL	-	-	-	-	-	47,894	
597 Meters	14,993	DIST_METERS	TOTAL	355	191	213	576	-	-	
598 Miscellaneous Distribution	231,508	RB_GUP_EPIS_D	TOTAL	3,471	1,990	4,274	5,247	5,172	10,441	
Total	6,199,971		TOTAL	95,755	58,506	131,804	150,615	26,611	78,623	
Customer Accounts										
901 Supervision	19,226	TOTOX234	TOTAL	2	63	10	202	1,209	1	
902 Meter Read	50,847	CUST_902	TOTAL	6	188	30	600	3,590	4	
903 Customer Records	1,228,799	CUST_903	TOTAL	124	4,018	645	12,850	76,833	81	
904 Uncollectibles	2,548	CUST_904	TOTAL	0	9	2	30	180	0	
905 Miscellaneous	11,738	TOTOX234	TOTAL	1	39	6	123	738	1	
Total	1,313,158		TOTAL	133	4,317	693	13,806	82,549	87	
Customer Service & Infor. & Sales Exp										
907 Supervision	11,408	CUST_TOTAL	TOTAL	1	42	7	135	805	1	
908 Customer Assist	93,187	CUST_TOTAL	TOTAL	11	344	55	1,100	6,579	7	
908-Customer Assistance - DSM	157	DSM_DEM	TOTAL	37	1	3	3	0	0	
908.1-Customer Assistance - Demand Response	7,105	DSM_DEM	TOTAL	1,665	48	150	151	2	4	
909 Info & Instr	-	CUST_TOTAL	TOTAL	-	-	-	-	-	-	
910 Miscellaneous	1,498	CUST_TOTAL	TOTAL	0	6	1	18	106	0	
911 - 916 Sales Exp.	5,404	CUST_TOTAL	TOTAL	1	20	3	64	382	0	
Total	118,759		TOTAL	1,714	461	220	1,471	7,874	13	
	0									
Administrative & General Expense										
Reg Commission	227,539	CUST_TOTAL	TOTAL	26	840	135	2,687	16,064	17	
Insurance - Transmission	-	RB_GUP_EPIS_T	TOTAL	-	-	-	-	-	-	
Insurance - Distribution	49,912	RB_GUP_EPIS_D	TOTAL	748	429	922	1,131	1,115	2,251	
A&G - Labor Related	1,396,569	LABOR_M	TOTAL	15,758	10,374	20,207	27,770	32,771	36,156	
Total	1,674,020		TOTAL	16,532	11,642	21,264	31,588	49,951	38,424	
Other Expenses										
Other O&M	-	RB_GUP_EPIS_D	TOTAL	-	-	-	-	-	-	
Factoring Expense	439,467	RSale_D	TOTAL	36,931	5,957	3,620	14,750	12,769	22,322	
Other O&M	-	RB_GUP_EPIS_D	TOTAL	-	-	-	-	-	-	
Total	439,467		TOTAL	36,931	5,957	3,620	14,750	12,769	22,322	
Total O&M Expense	11,542,946		TOTAL	177,909	95,230	187,003	250,913	210,038	352,894	
Depreciation & Amortization Expense										
Production	-	RB_GUP-Land_P	TOTAL	-	-	-	-	-	-	
Bulk Transmission	-	RB_GUP-Land_T	TOTAL	-	-	-	-	-	-	
Distribution	6,830,716	RB_GUP-Land_D	TOTAL	100,821	58,725	126,028	154,601	155,079	313,087	
General & Intangible	1,360,716	RB_GUP-Land_G	TOTAL	15,353	10,107	19,689	27,057	31,930	35,227	
Total Depreciation & Amort Expense	8,191,432		TOTAL	116,175	68,832	145,717	181,658	187,009	348,314	

KINGSPORT POWER COMPANY  
CLASS COST-OF-SERVICE STUDY  
TWELVE MONTHS ENDING JUNE 30, 2021

KgPco Exhibit No. 3-a  
Witness: MHW  
Page 9 of 14

Label	Constant	Allocation Factor	Function	Total			RS	SGS	MGS	Total LGS
				1	2	3				
<b>Taxes Other Than Income</b>										
Federal Insurance Tax	156,541	LABOR_M	TOTAL	156,541	113,876	5,374	8,966			12,292
Federal Unemployment Tax	773	LABOR_M	TOTAL	773	563	27	44			61
State Unemployment Insurance	(20)	LABOR_M	TOTAL	(20)	(15)	(1)	(1)			(2)
Real & Personal Property Tax	1,375,722	RB_GUP	TOTAL	1,375,722	932,512	33,781	93,227			137,387
PSC Assessment	533,862	RSale_D	TOTAL	533,862	167,746	29,291	81,329			138,450
Sales and Use Taxes	865	RB_GUP	TOTAL	865	586	21	59			86
Bus Franchise	364,122	RB_GUP	TOTAL	364,122	246,815	8,941	24,675			36,363
Regis Fee	-	RSale_D	TOTAL	-	-	-	-			-
Gross Receipts Tax	4,211,650	RB_GUP	TOTAL	4,211,650	1,323,349	231,078	641,606			1,092,237
Federal Excise Tax	-	RB_GUP	TOTAL	-	-	-	-			-
Misc Capital Lease Tax	255	RB_GUP	TOTAL	255	173	6	17			25
<b>Total Taxes Other Than Income</b>	<b>6,643,771</b>		<b>TOTAL</b>	<b>6,643,771</b>	<b>2,785,605</b>	<b>308,518</b>	<b>849,923</b>			<b>1,416,901</b>
<b>Other Income / Expense</b>										
Cost of Short-Term Debt	1,382	NP	TOTAL	1,382	937	34	93			138
Interest on Customer Deposits	247,609	CUST_DEP	TOTAL	247,609	152,787	10,087	39,511			33,816
AFUDC	(19,135)	RB_GUP_CWIP	TOTAL	(19,135)	(13,266)	(528)	(1,234)			(1,784)
<b>Charitable Contributions</b>	<b>28,703</b>	<b>LABOR_M</b>	<b>TOTAL</b>	<b>28,703</b>	<b>20,880</b>	<b>985</b>	<b>1,644</b>			<b>2,254</b>
<b>Total Operating Expense Before Income Tax</b>	<b>26,636,708</b>		<b>TOTAL</b>	<b>26,636,708</b>	<b>16,585,776</b>	<b>881,824</b>	<b>2,196,534</b>			<b>3,355,852</b>
<b>Net Operating Income Before Income Tax</b>	<b>(2,964,351)</b>		<b>TOTAL</b>	<b>(2,964,351)</b>	<b>(8,705,829)</b>	<b>393,884</b>	<b>1,309,740</b>			<b>2,587,663</b>
Interest Expense	2,014,694	RATEBASE	TOTAL	2,014,694	1,374,029	49,478	130,134			196,968
<b>Pre-Tax Book Income Before SIT</b>	<b>(4,979,045)</b>		<b>TOTAL</b>	<b>(4,979,045)</b>	<b>(10,079,859)</b>	<b>344,406</b>	<b>1,179,607</b>			<b>2,390,695</b>
<b>Schedule M Adjustments</b>										
Gross Plant Related	(2,582,894)	RB_GUP	TOTAL	(2,582,894)	(1,750,775)	(63,423)	(175,033)			(257,942)
Labor Related	874,750	LABOR_M	TOTAL	874,750	636,336	30,032	50,104			68,687
Uncollectible Related	-	CUST_904	TOTAL	-	-	-	-			-
Demand Response and FPPAR Over/Under Recovery	2,866,880	DSM_DEM	TOTAL	2,866,880	1,471,589	40,750	200,011			339,231
Reliability & Major Storms	2,154,781	TOTOLINES	TOTAL	2,154,781	1,537,197	40,847	158,698			249,643
<b>Total Federal Schedule Ms</b>	<b>3,313,517</b>		<b>TOTAL</b>	<b>3,313,517</b>	<b>1,894,347</b>	<b>48,206</b>	<b>233,780</b>			<b>399,618</b>
State Schedule M	-	RB_GUP	TOTAL	-	-	-	-			-
State Tax Adjustments	(1,935,791)	RB_GUP	TOTAL	(1,935,791)	(1,312,146)	(47,533)	(131,181)			(193,319)
<b>State Taxable Income</b>	<b>(3,601,319)</b>		<b>TOTAL</b>	<b>(3,601,319)</b>	<b>(9,497,658)</b>	<b>345,079</b>	<b>1,282,205</b>			<b>2,596,994</b>
Apportionment Factor	0.980787									
<b>State Income Tax Rate</b>	<b>6.50%</b>									
<b>State Income Tax</b>	<b>(229,588)</b>		<b>TOTAL</b>	<b>(229,588)</b>	<b>(605,487)</b>	<b>21,999</b>	<b>81,742</b>			<b>165,561</b>

KINGSPORT POWER COMPANY  
CLASS COST-OF-SERVICE STUDY  
TWELVE MONTHS ENDING JUNE 30, 2021

KgPCo Exhibit No. 3-a  
Witness: MHW  
Page 10 of 14

Label	Constant	Allocation Factor	Function	Total IP	CS 13	PS 14	EHG 15	OL 16	SL 17
<b>Taxes Other Than Income</b>									
Federal Insurance Tax	156,541	LABOR_M	TOTAL	1,766	1,163	2,265	3,113	3,673	4,053
Federal Unemployment Tax	773	LABOR_M	TOTAL	9	6	11	15	18	20
State Unemployment Insurance	(20)	LABOR_M	TOTAL	(0)	(0)	(0)	(0)	(0)	(1)
Real & Personal Property Tax	1,375,722	RB_GUP	TOTAL	20,251	11,706	24,998	30,899	30,847	60,113
PSC Assessment	533,862	RSale_D	TOTAL	44,864	7,237	4,398	17,919	15,512	27,117
Sales and Use Taxes	865	RB_GUP	TOTAL	13	7	16	19	19	38
Bus Franchise	364,122	RB_GUP	TOTAL	5,360	3,098	6,616	8,178	8,164	15,911
Regis Fee	-	RB_GUP	TOTAL	-	-	-	-	-	-
Gross Receipts Tax	4,211,650	RSale_D	TOTAL	353,935	57,091	34,695	141,360	122,376	213,923
Federal Excise Tax	-	RB_GUP	TOTAL	-	-	-	-	-	-
Misc Capital Lease Tax	255	RB_GUP	TOTAL	4	2	5	6	6	11
<b>Total Taxes Other Than Income</b>	6,643,771		TOTAL	426,201	80,310	73,004	201,509	180,616	321,185
<b>Other Income / Expense</b>									
Cost of Short-Term Debt	1,382	NP	TOTAL	20	12	25	31	31	60
Interest on Customer Deposits	247,609	CUST_DEP	TOTAL	-	1,363	-	9,537	508	-
AFUDC	(19,135)	RB_GUP_CWIP	TOTAL	(261)	(156)	(326)	(414)	(435)	(730)
<b>Charitable Contributions</b>	28,703	LABOR_M	TOTAL	324	213	415	571	674	743
<b>Total Operating Expense Before Income Tax</b>	26,636,708		TOTAL	720,367	245,804	405,839	643,804	578,440	1,022,466
<b>Net Operating Income Before Income Tax</b>	(2,964,351)		TOTAL	1,190,346	67,573	(207,559)	137,172	107,585	155,074
Interest Expense	2,014,694	RATEBASE	TOTAL	30,182	17,214	37,311	44,060	46,467	88,852
<b>Pre-Tax Book Income Before SIT</b>	(4,979,045)		TOTAL	1,160,164	50,360	(244,870)	93,112	61,118	66,222
<b>Schedule M Adjustments</b>									
Gross Plant Related	(2,582,894)	RB_GUP	TOTAL	(38,021)	(21,978)	(46,934)	(58,012)	(57,914)	(112,862)
Labor Related	874,750	LABOR_M	TOTAL	9,870	6,498	12,657	17,394	20,527	22,646
Uncollectible Related	-	CUST_904	TOTAL	-	-	-	-	-	-
Demand Response and FPPAR Over/Under Recovery	2,866,880	DSM_DEM	TOTAL	671,718	19,461	60,618	61,060	842	1,602
Reliability & Major Storms	2,154,781	TOTOHLINES	TOTAL	33,390	20,567	46,490	52,836	7,806	7,306
<b>Total Federal Schedule Ms</b>	3,313,517		TOTAL	676,957	24,547	72,831	73,278	(28,739)	(81,308)
State Schedule M	-	RB_GUP	TOTAL	-	-	-	-	-	-
State Tax Adjustments	(1,935,791)	RB_GUP	TOTAL	(28,495)	(16,472)	(35,175)	(43,478)	(43,405)	(84,586)
<b>State Taxable Income</b>	(3,601,319)		TOTAL	1,808,625	58,435	(207,214)	122,911	(11,025)	(99,671)
Apportionment Factor	0.980787								
<b>State Income Tax Rate</b>	6.50%		TOTAL	115,302	3,725	(13,210)	7,836	(703)	(6,354)
<b>State Income Tax</b>	(229,586)		TOTAL						

KINGSPORT POWER COMPANY  
CLASS COST-OF-SERVICE STUDY  
TWELVE MONTHS ENDING JUNE 30, 2021

KgPco Exhibit No. 3-a  
Witness: MHW  
Page 11 of 14

Label	Allocation		Function	Total			Total	Total	Total
	Constant	Factor		Retail	RS	SGS			
				1	2	3			
Federal Taxable Income	(1,435,940)		TOTAL	(1,435,940)	(7,580,025)	370,613	1,331,644	2,624,752	
Federal Income Tax Rate	21.00%								
Current Federal Income Tax	(301,547)		TOTAL	(301,547)	(1,591,805)	77,829	279,645	551,198	
CFIT Tax Credits	(7,944)	NP	TOTAL	(7,944)	(5,389)	(196)	(537)	(792)	
Current Federal Income Tax	(309,491)		TOTAL	(309,491)	(1,597,194)	77,633	279,108	550,406	
Deferred Federal Income Tax									
Gross Plant Related	18,105	RB_GUP	TOTAL	18,105	12,272	445	1,227	1,808	
Labor Related	(170,591)	LABOR_M	TOTAL	(170,591)	(124,096)	(5,857)	(9,771)	(13,395)	
Uncollectible Related	-	CUST_904	TOTAL	-	-	-	-	-	
Demand Response and FPPAR Over/Under Recovery	(602,045)	DSM_DEM	TOTAL	(602,045)	(309,034)	(8,557)	(42,002)	(71,238)	
Reliability & Major Storms	(452,504)	TOTOHINES	TOTAL	(452,504)	(322,811)	(8,578)	(33,327)	(52,425)	
Total Deferred Federal Income Tax	(1,207,035)		TOTAL	(1,207,035)	(743,669)	(22,547)	(83,873)	(135,250)	
Total Deferred ITC	-	NP	TOTAL	-	-	-	-	-	
Total Federal Income Tax	(1,516,526)		TOTAL	(1,516,526)	(2,340,863)	55,085	195,235	415,156	
Total Income Tax	(1,746,114)		TOTAL	(1,746,114)	(2,946,350)	77,085	276,977	580,717	
Total Expenses	24,890,594		TOTAL	24,890,594	13,639,426	958,909	2,473,511	3,936,569	
Net Operating Income	(1,218,237)		TOTAL	(1,218,237)	(5,759,479)	316,800	1,032,763	2,006,946	
Current Rate of Return	-0.83%			-0.83%	-5.74%	8.77%	10.87%	13.96%	
O&M Labor									
Production Demand	-	PROD_DEMAND	TOTAL	-	-	-	-	-	
Production Energy	-	PROD_ENERGY	TOTAL	-	-	-	-	-	
Transmission	-	TOTBSEXP	TOTAL	-	-	-	-	-	
Distribution	2,055,171	EXP_OM_DIST	TOTAL	2,055,171	1,410,986	42,649	147,292	224,277	
Customer Accounts	766,144	EXP_OM_CUSTACCT	TOTAL	766,144	636,261	51,252	16,705	2,659	
Customer Service	79,872	EXP_OM_CUSTSERV	TOTAL	79,872	63,217	5,703	2,177	870	
Total	2,901,187		TOTAL	2,901,187	2,110,464	99,604	166,173	227,807	
Calculation of Proposed Revenues									
Proposed Operating Income	9,352,884	RATEBASE	TOTAL	9,352,887	(626,161)	603,777	2,143,163	3,948,122	
Proposed Operating Income from Revenue Allocation				9,352,887	(626,161)	603,777	2,143,163	3,948,122	
Proposed Rate of Return				6.36%	-0.62%	16.72%	22.56%	27.46%	
Income Increase	10,571,121		TOTAL	10,571,123	5,133,318	286,977	1,110,400	1,941,177	
Gross Revenue Conversion Factor	1.359897								

KINGSPORT POWER COMPANY  
CLASS COST-OF-SERVICE STUDY  
TWELVE MONTHS ENDING JUNE 30, 2021

KgPCo Exhibit No. 3-a  
Witness: MHW  
Page 12 of 14

Label	Constant	Allocation		Function	Total						
		Factor			IP	CS	PS	EHG	OL	SL	
Federal Taxable Income	(1,435,940)			TOTAL	1,721,819	71,181	(158,828)	158,554	33,082	(8,731)	
Federal Income Tax Rate	21.00%										
Current Federal Income Tax	(301,547)			TOTAL	361,582	14,948	(33,354)	33,296	6,947	(1,834)	
CFIT Tax Credits	(7,944)	NP		TOTAL	(117)	(68)	(144)	(178)	(178)	(346)	
Current Federal Income Tax	(309,491)			TOTAL	361,465	14,881	(33,498)	33,118	6,769	(2,179)	
Deferred Federal Income Tax											
Gross Plant Related	18,105	RB_GUP		TOTAL	267	154	329	407	406	791	
Labor Related	(170,591)	LABOR_M		TOTAL	(1,925)	(1,267)	(2,468)	(3,392)	(4,003)	(4,416)	
Uncollectible Related	-	CUST_904		TOTAL	-	-	-	-	-	-	
Demand Response and FPPAR Over/Under Recovery	(602,045)	DSM_DEM		TOTAL	(141,061)	(4,087)	(12,730)	(12,823)	(177)	(336)	
Reliability & Major Storms	(452,504)	TOTOHLINES		TOTAL	(7,012)	(4,319)	(9,763)	(11,096)	(1,639)	(1,534)	
Total Deferred Federal Income Tax	(1,207,035)			TOTAL	(149,731)	(9,519)	(24,632)	(26,904)	(5,413)	(5,496)	
Total Deferred ITC	-	NP		TOTAL	-	-	-	-	-	-	
Total Federal Income Tax	(1,516,526)			TOTAL	211,734	5,362	(58,130)	6,214	1,356	(7,675)	
Total Income Tax	(1,746,114)			TOTAL	327,036	9,087	(71,340)	14,050	653	(14,029)	
Total Expenses	24,890,594			TOTAL	1,047,404	254,891	334,499	657,854	579,093	1,008,437	
Net Operating Income	(1,218,237)			TOTAL	863,309	58,486	(136,219)	123,122	106,932	169,103	
Current Rate of Return	-0.83%				39.19%	4.65%	-5.00%	3.83%	3.15%	2.61%	
O&M Labor											
Production Demand	-	PROD_DEMAND		TOTAL	-	-	-	-	-	-	
Production Energy	-	PROD_ENERGY		TOTAL	-	-	-	-	-	-	
Transmission	-	TOTBEXP		TOTAL	-	-	-	-	-	-	
Distribution	2,055,171	EXP_OM_DIST		TOTAL	31,505	18,721	41,426	48,645	14,620	75,049	
Customer Accounts	766,144	EXP_OM_CUSTACCT		TOTAL	78	2,519	404	8,055	48,162	51	
Customer Service	79,872	EXP_OM_CUSTSERV		TOTAL	1,153	310	148	989	5,296	8	
Total	2,901,187			TOTAL	32,735	21,550	41,978	57,689	68,078	75,108	
Calculation of Proposed Revenues											
Proposed Operating Income	9,352,884	RATEBASE		TOTAL	1,976,713	152,502	147,059	453,239	213,403	341,069	
Proposed Operating Income from Revenue Allocation					1,976,713	152,502	147,059	453,239	213,403	341,069	
Proposed Rate of Return					89.72%	12.14%	5.40%	14.05%	6.29%	5.26%	
Income Increase	10,571,121										
Gross Revenue Conversion Factor	1.359897			TOTAL	1,113,404	94,016	283,278	330,118	106,470	171,966	

KINGSPORT POWER COMPANY  
CLASS COST-OF-SERVICE STUDY  
TWELVE MONTHS ENDING JUNE 30, 2021

<u>Label</u>	Constant	Allocation Factor	Function	Total			Total		
				<u>Retail</u>	<u>RS</u>	<u>SGS</u>	<u>MGS</u>	<u>LGS</u>	<u>Total</u>
				1	2	3			
Revenue Increase	14,375,635		TOTAL	14,375,638	6,980,783	390,259	1,510,029	2,639,800	
Proposed Sales Revenue	36,982,272		TOTAL	36,982,275	14,084,049	1,630,603	4,953,942	8,502,539	

KINGSPORT POWER COMPANY  
CLASS COST-OF-SERVICE STUDY  
TWELVE MONTHS ENDING JUNE 30, 2021

<u>Label</u>	Constant	Allocation Factor	Function	Total						
				<u>IP</u>	<u>CS</u>	<u>PS</u>	<u>EHG</u>	<u>OL</u>	<u>SL</u>	
Revenue Increase	14,375,635		TOTAL	1,514,115	127,852	385,229	448,926	144,789	233,856	
Proposed Sales Revenue	36,982,272		TOTAL	3,413,909	434,294	571,462	1,207,696	801,661	1,382,120	

**Exhibit No. 3-b (MHW)**

KINGSPORT POWER COMPANY  
CLASS COST-OF-SERVICE STUDY - ALLOCATION FACTORS  
TWELVE MONTHS ENDING JUNE 30, 2021

KgPCo Exhibit No. 3-b  
Witness: MHW  
Page 1 of 14

Allocation Factor	Total								
	Retail	RS	SGS	MGS-SEC	MGS-PRI	MGS-SUB	LGS-SEC	LGS-PRI	LGS-SUB
	1	2	3	4	5	6	7	8	9
PROD_DEMAND PRODUCTION	1.00000000	0.51330676	0.01421401	0.06976594	-	-	0.10014290	0.01818459	-
PROD_DEMAND BULKTRAN	-	-	-	-	-	-	-	-	-
PROD_DEMAND SUBTRAN	-	-	-	-	-	-	-	-	-
PROD_DEMAND DISTPRI	-	-	-	-	-	-	-	-	-
PROD_DEMAND DISTSEC	-	-	-	-	-	-	-	-	-
PROD_DEMAND ENERGY	-	-	-	-	-	-	-	-	-
PROD_DEMAND CUSTOMER	-	-	-	-	-	-	-	-	-
PROD_DEMAND TOTAL	1.00000000	0.51330676	0.01421401	0.06976594	-	-	0.10014290	0.01818459	-
PROD_ENERGY PRODUCTION	-	-	-	-	-	-	-	-	-
PROD_ENERGY BULKTRAN	-	-	-	-	-	-	-	-	-
PROD_ENERGY SUBTRAN	-	-	-	-	-	-	-	-	-
PROD_ENERGY DISTPRI	-	-	-	-	-	-	-	-	-
PROD_ENERGY DISTSEC	-	-	-	-	-	-	-	-	-
PROD_ENERGY ENERGY	1.00000000	0.42153988	0.01484036	0.06534228	-	-	0.11738882	0.02122107	-
PROD_ENERGY CUSTOMER	-	-	-	-	-	-	-	-	-
PROD_ENERGY TOTAL	1.00000000	0.42153988	0.01484036	0.06534228	-	-	0.11738882	0.02122107	-
BULK_TRANS PRODUCTION	-	-	-	-	-	-	-	-	-
BULK_TRANS BULKTRAN	1.00000000	0.51330676	0.01421401	0.06976594	-	-	0.10014290	0.01818459	-
BULK_TRANS SUBTRAN	-	-	-	-	-	-	-	-	-
BULK_TRANS DISTPRI	-	-	-	-	-	-	-	-	-
BULK_TRANS DISTSEC	-	-	-	-	-	-	-	-	-
BULK_TRANS ENERGY	-	-	-	-	-	-	-	-	-
BULK_TRANS CUSTOMER	-	-	-	-	-	-	-	-	-
BULK_TRANS TOTAL	1.00000000	0.51330676	0.01421401	0.06976594	-	-	0.10014290	0.01818459	-
DIST_CPD PRODUCTION	-	-	-	-	-	-	-	-	-
DIST_CPD BULKTRAN	-	-	-	-	-	-	-	-	-
DIST_CPD SUBTRAN	-	-	-	-	-	-	-	-	-
DIST_CPD DISTPRI	1.00000000	0.68692718	0.01581949	0.07607158	-	-	0.11631882	0.02121097	-
DIST_CPD DISTSEC	-	-	-	-	-	-	-	-	-
DIST_CPD ENERGY	-	-	-	-	-	-	-	-	-
DIST_CPD CUSTOMER	-	-	-	-	-	-	-	-	-
DIST_CPD TOTAL	1.00000000	0.68692718	0.01581949	0.07607158	-	-	0.11631882	0.02121097	-
DISTSEC PRODUCTION	-	-	-	-	-	-	-	-	-
DISTSEC BULKTRAN	-	-	-	-	-	-	-	-	-
DISTSEC SUBTRAN	-	-	-	-	-	-	-	-	-
DISTSEC DISTPRI	-	-	-	-	-	-	-	-	-
DISTSEC DISTSEC	1.00000000	0.74467225	0.02266466	0.07078595	-	-	0.09023198	-	-
DISTSEC ENERGY	-	-	-	-	-	-	-	-	-
DISTSEC CUSTOMER	-	-	-	-	-	-	-	-	-
DISTSEC TOTAL	1.00000000	0.74467225	0.02266466	0.07078595	-	-	0.09023198	-	-
CUST_TOTAL PRODUCTION	-	-	-	-	-	-	-	-	-
CUST_TOTAL BULKTRAN	-	-	-	-	-	-	-	-	-
CUST_TOTAL SUBTRAN	-	-	-	-	-	-	-	-	-
CUST_TOTAL DISTPRI	-	-	-	-	-	-	-	-	-
CUST_TOTAL DISTSEC	-	-	-	-	-	-	-	-	-
CUST_TOTAL ENERGY	-	-	-	-	-	-	-	-	-
CUST_TOTAL CUSTOMER	1.00000000	0.80960196	0.07512937	0.02448645	-	-	0.00357524	0.00032502	-
CUST_TOTAL TOTAL	1.00000000	0.80960196	0.07512937	0.02448645	-	-	0.00357524	0.00032502	-
DIST_PCUST PRODUCTION	-	-	-	-	-	-	-	-	-
DIST_PCUST BULKTRAN	-	-	-	-	-	-	-	-	-
DIST_PCUST SUBTRAN	-	-	-	-	-	-	-	-	-
DIST_PCUST DISTPRI	-	-	-	-	-	-	-	-	-
DIST_PCUST DISTSEC	-	-	-	-	-	-	-	-	-
DIST_PCUST ENERGY	-	-	-	-	-	-	-	-	-
DIST_PCUST CUSTOMER	1.00000000	0.80966388	0.07513512	0.02448832	-	-	0.00357551	0.00032505	-
DIST_PCUST TOTAL	1.00000000	0.80966388	0.07513512	0.02448832	-	-	0.00357551	0.00032505	-

**KINGSPORT POWER COMPANY**  
**CLASS COST-OF-SERVICE STUDY - ALLOCATION FACTORS**  
**TWELVE MONTHS ENDING JUNE 30, 2021**

KgPCo Exhibit No. 3-b  
Witness: MHW  
Page 2 of 14

Allocation Factor	IP-PRI 10	IP-SUB 11	IP-TRA 12	CS 13	PS 14	EHG 15	OL 16	SL 17
PROD_DEMAND PRODUCTION	0.02449967	-	0.20980299	0.00678820	0.02114416	0.02129839	0.00029376	0.00055863
PROD_DEMAND BULKTRAN	-	-	-	-	-	-	-	-
PROD_DEMAND SUBTRAN	-	-	-	-	-	-	-	-
PROD_DEMAND DISTPRI	-	-	-	-	-	-	-	-
PROD_DEMAND DISTSEC	-	-	-	-	-	-	-	-
PROD_DEMAND ENERGY	-	-	-	-	-	-	-	-
PROD_DEMAND CUSTOMER	-	-	-	-	-	-	-	-
PROD_DEMAND TOTAL	0.02449967	-	0.20980299	0.00678820	0.02114416	0.02129839	0.00029376	0.00055863
PROD_ENERGY PRODUCTION	-	-	-	-	-	-	-	-
PROD_ENERGY BULKTRAN	-	-	-	-	-	-	-	-
PROD_ENERGY SUBTRAN	-	-	-	-	-	-	-	-
PROD_ENERGY DISTPRI	-	-	-	-	-	-	-	-
PROD_ENERGY DISTSEC	-	-	-	-	-	-	-	-
PROD_ENERGY ENERGY	0.03355569	-	0.28046666	0.00544212	0.01567315	0.01629680	0.00292207	0.00531111
PROD_ENERGY CUSTOMER	-	-	-	-	-	-	-	-
PROD_ENERGY TOTAL	0.03355569	-	0.28046666	0.00544212	0.01567315	0.01629680	0.00292207	0.00531111
BULK_TRANS PRODUCTION	-	-	-	-	-	-	-	-
BULK_TRANS BULKTRAN	0.02449967	-	0.20980299	0.00678820	0.02114416	0.02129839	0.00029376	0.00055863
BULK_TRANS SUBTRAN	-	-	-	-	-	-	-	-
BULK_TRANS DISTPRI	-	-	-	-	-	-	-	-
BULK_TRANS DISTSEC	-	-	-	-	-	-	-	-
BULK_TRANS ENERGY	-	-	-	-	-	-	-	-
BULK_TRANS CUSTOMER	-	-	-	-	-	-	-	-
BULK_TRANS TOTAL	0.02449967	-	0.20980299	0.00678820	0.02114416	0.02129839	0.00029376	0.00055863
DIST_CPD PRODUCTION	-	-	-	-	-	-	-	-
DIST_CPD BULKTRAN	-	-	-	-	-	-	-	-
DIST_CPD SUBTRAN	-	-	-	-	-	-	-	-
DIST_CPD DISTPRI	0.02860335	-	-	0.00844276	0.01922630	0.02445215	0.00096628	0.00196112
DIST_CPD DISTSEC	-	-	-	-	-	-	-	-
DIST_CPD ENERGY	-	-	-	-	-	-	-	-
DIST_CPD CUSTOMER	-	-	-	-	-	-	-	-
DIST_CPD TOTAL	0.02860335	-	-	0.00844276	0.01922630	0.02445215	0.00096628	0.00196112
DISTSEC PRODUCTION	-	-	-	-	-	-	-	-
DISTSEC BULKTRAN	-	-	-	-	-	-	-	-
DISTSEC SUBTRAN	-	-	-	-	-	-	-	-
DISTSEC DISTPRI	-	-	-	-	-	-	-	-
DISTSEC DISTSEC	-	-	-	0.01084764	0.02435209	0.02460112	0.00676342	0.00508088
DISTSEC ENERGY	-	-	-	-	-	-	-	-
DISTSEC CUSTOMER	-	-	-	-	-	-	-	-
DISTSEC TOTAL	-	-	-	0.01084764	0.02435209	0.02460112	0.00676342	0.00508088
CUST_TOTAL PRODUCTION	-	-	-	-	-	-	-	-
CUST_TOTAL BULKTRAN	-	-	-	-	-	-	-	-
CUST_TOTAL SUBTRAN	-	-	-	-	-	-	-	-
CUST_TOTAL DISTPRI	-	-	-	-	-	-	-	-
CUST_TOTAL DISTSEC	-	-	-	-	-	-	-	-
CUST_TOTAL ENERGY	-	-	-	-	-	-	-	-
CUST_TOTAL CUSTOMER	0.00003824	-	0.00007648	0.00368995	0.00059269	0.01180750	0.07060063	0.00007648
CUST_TOTAL TOTAL	0.00003824	-	0.00007648	0.00368995	0.00059269	0.01180750	0.07060063	0.00007648
DIST_PCUST PRODUCTION	-	-	-	-	-	-	-	-
DIST_PCUST BULKTRAN	-	-	-	-	-	-	-	-
DIST_PCUST SUBTRAN	-	-	-	-	-	-	-	-
DIST_PCUST DISTPRI	-	-	-	-	-	-	-	-
DIST_PCUST DISTSEC	-	-	-	-	-	-	-	-
DIST_PCUST ENERGY	-	-	-	-	-	-	-	-
DIST_PCUST CUSTOMER	0.00003824	-	-	0.00369023	0.00059273	0.01180841	0.07060603	0.00007648
DIST_PCUST TOTAL	0.00003824	-	-	0.00369023	0.00059273	0.01180841	0.07060603	0.00007648

**KINGSPORT POWER COMPANY**  
**CLASS COST-OF-SERVICE STUDY - ALLOCATION FACTORS**  
**TWELVE MONTHS ENDING JUNE 30, 2021**

KgPCo Exhibit No. 3-b  
Witness: MHW  
Page 3 of 14

Allocation Factor	Total								
	<u>Retail</u>	<u>RS</u>	<u>SGS</u>	<u>MGS-SEC</u>	<u>MGS-PRI</u>	<u>MGS-SUB</u>	<u>LGS-SEC</u>	<u>LGS-PRI</u>	<u>LGS-SUB</u>
	1	2	3	4	5	6	7	8	9
DIST_SERV PRODUCTION	-	-	-	-	-	-	-	-	-
DIST_SERV BULKTRAN	-	-	-	-	-	-	-	-	-
DIST_SERV SUBTRAN	-	-	-	-	-	-	-	-	-
DIST_SERV DISTPRI	-	-	-	-	-	-	-	-	-
DIST_SERV DISTSEC	-	-	-	-	-	-	-	-	-
DIST_SERV ENERGY	-	-	-	-	-	-	-	-	-
DIST_SERV CUSTOMER	1.00000000	0.80995812	0.07516242	0.02449722	-	-	0.00357681	-	-
DIST_SERV TOTAL	1.00000000	0.80995812	0.07516242	0.02449722	-	-	0.00357681	-	-
DIST_METERS PRODUCTION	-	-	-	-	-	-	-	-	-
DIST_METERS BULKTRAN	-	-	-	-	-	-	-	-	-
DIST_METERS SUBTRAN	-	-	-	-	-	-	-	-	-
DIST_METERS DISTPRI	-	-	-	-	-	-	-	-	-
DIST_METERS DISTSEC	-	-	-	-	-	-	-	-	-
DIST_METERS ENERGY	-	-	-	-	-	-	-	-	-
DIST_METERS CUSTOMER	1.00000000	0.61411530	0.09549178	0.14956272	-	-	0.03709178	0.01462917	-
DIST_METERS TOTAL	1.00000000	0.61411530	0.09549178	0.14956272	-	-	0.03709178	0.01462917	-
DIST_OL PRODUCTION	-	-	-	-	-	-	-	-	-
DIST_OL BULKTRAN	-	-	-	-	-	-	-	-	-
DIST_OL SUBTRAN	-	-	-	-	-	-	-	-	-
DIST_OL DISTPRI	-	-	-	-	-	-	-	-	-
DIST_OL DISTSEC	-	-	-	-	-	-	-	-	-
DIST_OL ENERGY	-	-	-	-	-	-	-	-	-
DIST_OL CUSTOMER	1.00000000	-	-	-	-	-	-	-	-
DIST_OL TOTAL	1.00000000	-	-	-	-	-	-	-	-
DIST_SL PRODUCTION	-	-	-	-	-	-	-	-	-
DIST_SL BULKTRAN	-	-	-	-	-	-	-	-	-
DIST_SL SUBTRAN	-	-	-	-	-	-	-	-	-
DIST_SL DISTPRI	-	-	-	-	-	-	-	-	-
DIST_SL DISTSEC	-	-	-	-	-	-	-	-	-
DIST_SL ENERGY	-	-	-	-	-	-	-	-	-
DIST_SL CUSTOMER	1.00000000	-	-	-	-	-	-	-	-
DIST_SL TOTAL	1.00000000	-	-	-	-	-	-	-	-
CUST_902 PRODUCTION	-	-	-	-	-	-	-	-	-
CUST_902 BULKTRAN	-	-	-	-	-	-	-	-	-
CUST_902 SUBTRAN	-	-	-	-	-	-	-	-	-
CUST_902 DISTPRI	-	-	-	-	-	-	-	-	-
CUST_902 DISTSEC	-	-	-	-	-	-	-	-	-
CUST_902 ENERGY	-	-	-	-	-	-	-	-	-
CUST_902 CUSTOMER	1.00000000	0.80960196	0.07512937	0.02448645	-	-	0.00357524	0.00032502	-
CUST_902 TOTAL	1.00000000	0.80960196	0.07512937	0.02448645	-	-	0.00357524	0.00032502	-
CUST_903 PRODUCTION	-	-	-	-	-	-	-	-	-
CUST_903 BULKTRAN	-	-	-	-	-	-	-	-	-
CUST_903 SUBTRAN	-	-	-	-	-	-	-	-	-
CUST_903 DISTPRI	-	-	-	-	-	-	-	-	-
CUST_903 DISTSEC	-	-	-	-	-	-	-	-	-
CUST_903 ENERGY	-	-	-	-	-	-	-	-	-
CUST_903 CUSTOMER	1.00000000	0.83137821	0.06653763	0.02168683	-	-	0.00316421	0.00028765	-
CUST_903 TOTAL	1.00000000	0.83137821	0.06653763	0.02168683	-	-	0.00316421	0.00028765	-
CUST_DEP PRODUCTION	-	-	-	-	-	-	-	-	-
CUST_DEP BULKTRAN	-	-	-	-	-	-	-	-	-
CUST_DEP SUBTRAN	-	-	-	-	-	-	-	-	-
CUST_DEP DISTPRI	0.52605268	0.30139565	0.01245948	0.08726864	-	-	0.05797770	0.04385978	-
CUST_DEP DISTSEC	0.34602444	0.22840228	0.01247860	0.05676647	-	-	0.03143986	-	-
CUST_DEP ENERGY	-	-	-	-	-	-	-	-	-
CUST_DEP CUSTOMER	0.12792288	0.08725183	0.01579885	0.01553360	-	-	0.00145144	0.00184023	-
CUST_DEP TOTAL	1.00000000	0.61704976	0.04073692	0.15956871	-	-	0.09086900	0.04570001	-
CUST_904 PRODUCTION	-	-	-	-	-	-	-	-	-
CUST_904 BULKTRAN	-	-	-	-	-	-	-	-	-
CUST_904 SUBTRAN	-	-	-	-	-	-	-	-	-
CUST_904 DISTPRI	-	-	-	-	-	-	-	-	-
CUST_904 DISTSEC	-	-	-	-	-	-	-	-	-
CUST_904 ENERGY	-	-	-	-	-	-	-	-	-
CUST_904 CUSTOMER	1.00000000	0.80960196	0.07512937	0.02448645	-	-	0.00357524	0.00032502	-
CUST_904 TOTAL	1.00000000	0.80960196	0.07512937	0.02448645	-	-	0.00357524	0.00032502	-
DSM_DEM PRODUCTION	-	-	-	-	-	-	-	-	-
DSM_DEM BULKTRAN	-	-	-	-	-	-	-	-	-
DSM_DEM SUBTRAN	-	-	-	-	-	-	-	-	-
DSM_DEM DISTPRI	-	-	-	-	-	-	-	-	-
DSM_DEM DISTSEC	-	-	-	-	-	-	-	-	-
DSM_DEM ENERGY	-	-	-	-	-	-	-	-	-
DSM_DEM CUSTOMER	1.00000000	0.51330676	0.01421401	0.06976594	-	-	0.10014290	0.01818459	-
DSM_DEM TOTAL	1.00000000	0.51330676	0.01421401	0.06976594	-	-	0.10014290	0.01818459	-
DIST_POLES PRODUCTION	-	-	-	-	-	-	-	-	-
DIST_POLES BULKTRAN	-	-	-	-	-	-	-	-	-
DIST_POLES SUBTRAN	-	-	-	-	-	-	-	-	-
DIST_POLES DISTPRI	0.53233010	0.36567201	0.00842119	0.04049519	-	-	0.06192001	0.01129124	-
DIST_POLES DISTSEC	0.46766990	0.34826080	0.01059958	0.03310446	-	-	0.04219878	-	-
DIST_POLES ENERGY	-	-	-	-	-	-	-	-	-
DIST_POLES CUSTOMER	-	-	-	-	-	-	-	-	-
DIST_POLES TOTAL	1.00000000	0.71393281	0.01902077	0.07359965	-	-	0.10411879	0.01129124	-

**KINGSPORT POWER COMPANY**  
**CLASS COST-OF-SERVICE STUDY - ALLOCATION FACTORS**  
**TWELVE MONTHS ENDING JUNE 30, 2021**

KgPCo Exhibit No. 3-b  
Witness: MHW  
Page 4 of 14

Allocation Factor	IP-PRI 10	IP-SUB 11	IP-TRA 12	CS 13	PS 14	EHG 15	OL 16	SL 17
DIST_SERV PRODUCTION	-	-	-	-	-	-	-	-
DIST_SERV BULKTRAN	-	-	-	-	-	-	-	-
DIST_SERV SUBTRAN	-	-	-	-	-	-	-	-
DIST_SERV DISTPRI	-	-	-	-	-	-	-	-
DIST_SERV DISTSEC	-	-	-	-	-	-	-	-
DIST_SERV ENERGY	-	-	-	-	-	-	-	-
DIST_SERV CUSTOMER	-	-	-	0.00369158	0.00059295	0.01181270	0.07063169	0.00007651
DIST_SERV TOTAL	-	-	-	0.00369158	0.00059295	0.01181270	0.07063169	0.00007651
DIST_METERS PRODUCTION	-	-	-	-	-	-	-	-
DIST_METERS BULKTRAN	-	-	-	-	-	-	-	-
DIST_METERS SUBTRAN	-	-	-	-	-	-	-	-
DIST_METERS DISTPRI	-	-	-	-	-	-	-	-
DIST_METERS DISTSEC	-	-	-	-	-	-	-	-
DIST_METERS ENERGY	-	-	-	-	-	-	-	-
DIST_METERS CUSTOMER	0.00261170	-	0.02108152	0.01275748	0.01423693	0.03842162	-	-
DIST_METERS TOTAL	0.00261170	-	0.02108152	0.01275748	0.01423693	0.03842162	-	-
DIST_OL PRODUCTION	-	-	-	-	-	-	-	-
DIST_OL BULKTRAN	-	-	-	-	-	-	-	-
DIST_OL SUBTRAN	-	-	-	-	-	-	-	-
DIST_OL DISTPRI	-	-	-	-	-	-	-	-
DIST_OL DISTSEC	-	-	-	-	-	-	-	-
DIST_OL ENERGY	-	-	-	-	-	-	-	-
DIST_OL CUSTOMER	-	-	-	-	-	-	-	-
DIST_OL TOTAL	-	-	-	-	-	-	1.00000000	-
							1.00000000	-
DIST_SL PRODUCTION	-	-	-	-	-	-	-	-
DIST_SL BULKTRAN	-	-	-	-	-	-	-	-
DIST_SL SUBTRAN	-	-	-	-	-	-	-	-
DIST_SL DISTPRI	-	-	-	-	-	-	-	-
DIST_SL DISTSEC	-	-	-	-	-	-	-	-
DIST_SL ENERGY	-	-	-	-	-	-	-	-
DIST_SL CUSTOMER	-	-	-	-	-	-	-	-
DIST_SL TOTAL	-	-	-	-	-	-	-	1.00000000
								1.00000000
CUST_902 PRODUCTION	-	-	-	-	-	-	-	-
CUST_902 BULKTRAN	-	-	-	-	-	-	-	-
CUST_902 SUBTRAN	-	-	-	-	-	-	-	-
CUST_902 DISTPRI	-	-	-	-	-	-	-	-
CUST_902 DISTSEC	-	-	-	-	-	-	-	-
CUST_902 ENERGY	-	-	-	-	-	-	-	-
CUST_902 CUSTOMER	0.00003824	-	0.00007648	0.00368995	0.00059269	0.01180750	0.07060063	0.00007648
CUST_902 TOTAL	0.00003824	-	0.00007648	0.00368995	0.00059269	0.01180750	0.07060063	0.00007648
CUST_903 PRODUCTION	-	-	-	-	-	-	-	-
CUST_903 BULKTRAN	-	-	-	-	-	-	-	-
CUST_903 SUBTRAN	-	-	-	-	-	-	-	-
CUST_903 DISTPRI	-	-	-	-	-	-	-	-
CUST_903 DISTSEC	-	-	-	-	-	-	-	-
CUST_903 ENERGY	-	-	-	-	-	-	-	-
CUST_903 CUSTOMER	0.00003525	-	0.00006571	0.00326996	0.00052483	0.01045699	0.06252701	0.00006571
CUST_903 TOTAL	0.00003525	-	0.00006571	0.00326996	0.00052483	0.01045699	0.06252701	0.00006571
CUST_DEP PRODUCTION	-	-	-	-	-	-	-	-
CUST_DEP BULKTRAN	-	-	-	-	-	-	-	-
CUST_DEP SUBTRAN	-	-	-	-	-	-	-	-
CUST_DEP DISTPRI	-	-	-	-	-	-	-	-
CUST_DEP DISTSEC	-	-	-	0.00265817	-	0.02039056	0.00004268	-
CUST_DEP ENERGY	-	-	-	0.00238750	-	0.01434089	0.00020886	-
CUST_DEP CUSTOMER	-	-	-	0.00046062	-	0.00378540	0.00180092	-
CUST_DEP TOTAL	-	-	-	0.00550629	-	0.03851686	0.00205246	-
CUST_904 PRODUCTION	-	-	-	-	-	-	-	-
CUST_904 BULKTRAN	-	-	-	-	-	-	-	-
CUST_904 SUBTRAN	-	-	-	-	-	-	-	-
CUST_904 DISTPRI	-	-	-	-	-	-	-	-
CUST_904 DISTSEC	-	-	-	-	-	-	-	-
CUST_904 ENERGY	-	-	-	-	-	-	-	-
CUST_904 CUSTOMER	0.00003824	-	0.00007648	0.00368995	0.00059269	0.01180750	0.07060063	0.00007648
CUST_904 TOTAL	0.00003824	-	0.00007648	0.00368995	0.00059269	0.01180750	0.07060063	0.00007648
DSM_DEM PRODUCTION	-	-	-	-	-	-	-	-
DSM_DEM BULKTRAN	-	-	-	-	-	-	-	-
DSM_DEM SUBTRAN	-	-	-	-	-	-	-	-
DSM_DEM DISTPRI	-	-	-	-	-	-	-	-
DSM_DEM DISTSEC	-	-	-	-	-	-	-	-
DSM_DEM ENERGY	-	-	-	-	-	-	-	-
DSM_DEM CUSTOMER	0.02449967	-	0.20980299	0.00678820	0.02114416	0.02129839	0.00029376	0.00055863
DSM_DEM TOTAL	0.02449967	-	0.20980299	0.00678820	0.02114416	0.02129839	0.00029376	0.00055863
DIST_POLES PRODUCTION	-	-	-	-	-	-	-	-
DIST_POLES BULKTRAN	-	-	-	-	-	-	-	-
DIST_POLES SUBTRAN	-	-	-	-	-	-	-	-
DIST_POLES DISTPRI	0.01522642	-	-	0.00449434	0.01023474	0.01301662	0.00051438	0.00104396
DIST_POLES DISTSEC	-	-	-	0.00507311	0.01138874	0.01150520	0.00316305	0.00237617
DIST_POLES ENERGY	-	-	-	-	-	-	-	-
DIST_POLES CUSTOMER	-	-	-	-	-	-	-	-
DIST_POLES TOTAL	0.01522642	-	-	0.00956745	0.02162348	0.02452182	0.00367743	0.00342014

**KINGSPORT POWER COMPANY**  
**CLASS COST-OF-SERVICE STUDY - ALLOCATION FACTORS**  
**TWELVE MONTHS ENDING JUNE 30, 2021**

KgPCo Exhibit No. 3-b  
Witness: MHW  
Page 5 of 14

Allocation Factor	Total								
	Retail 1	RS 2	SGS 3	MGS-SEC 4	MGS-PRI 5	MGS-SUB 6	LGS-SEC 7	LGS-PRI 8	LGS-SUB 9
DIST_OHLINES PRODUCTION	-	-	-	-	-	-	-	-	-
DIST_OHLINES BULKTRAN	-	-	-	-	-	-	-	-	-
DIST_OHLINES SUBTRAN	-	-	-	-	-	-	-	-	-
DIST_OHLINES DISTPRI	0.54792507	0.37638462	0.00866790	0.04168152	-	-	-	-	-
DIST_OHLINES DISTSEC	0.45207493	0.33664766	0.01024613	0.03200055	-	-	0.06373399	0.01162202	-
DIST_OHLINES ENERGY	-	-	-	-	-	-	0.04079162	-	-
DIST_OHLINES CUSTOMER	-	-	-	-	-	-	-	-	-
DIST_OHLINES TOTAL	1.00000000	0.71303228	0.01891402	0.07368208	-	-	0.10452561	0.01162202	-
DIST_UGLINES PRODUCTION	-	-	-	-	-	-	-	-	-
DIST_UGLINES BULKTRAN	-	-	-	-	-	-	-	-	-
DIST_UGLINES SUBTRAN	-	-	-	-	-	-	-	-	-
DIST_UGLINES DISTPRI	0.51191015	0.35164499	0.00809816	0.03894181	-	-	0.05954478	0.01085811	-
DIST_UGLINES DISTSEC	0.48808985	0.36346697	0.01106239	0.03454990	-	-	0.04404132	-	-
DIST_UGLINES ENERGY	-	-	-	-	-	-	-	-	-
DIST_UGLINES CUSTOMER	-	-	-	-	-	-	-	-	-
DIST_UGLINES TOTAL	1.00000000	0.71511196	0.01916055	0.07349172	-	-	0.10358610	0.01085811	-
DIST_TRANSF PRODUCTION	-	-	-	-	-	-	-	-	-
DIST_TRANSF BULKTRAN	-	-	-	-	-	-	-	-	-
DIST_TRANSF SUBTRAN	-	-	-	-	-	-	-	-	-
DIST_TRANSF DISTPRI	0.13703472	0.09413287	0.00216782	0.01042445	-	-	0.01593972	0.00290664	-
DIST_TRANSF DISTSEC	0.86296528	0.64262629	0.01955682	0.06108582	-	-	0.07786707	-	-
DIST_TRANSF ENERGY	-	-	-	-	-	-	-	-	-
DIST_TRANSF CUSTOMER	-	-	-	-	-	-	-	-	-
DIST_TRANSF TOTAL	1.00000000	0.73675917	0.02172664	0.07151027	-	-	0.09380679	0.00290664	-
RB_GUP_EPIS_P PRODUCTION	-	-	-	-	-	-	-	-	-
RB_GUP_EPIS_P BULKTRAN	-	-	-	-	-	-	-	-	-
RB_GUP_EPIS_P SUBTRAN	-	-	-	-	-	-	-	-	-
RB_GUP_EPIS_P DISTPRI	-	-	-	-	-	-	-	-	-
RB_GUP_EPIS_P DISTSEC	-	-	-	-	-	-	-	-	-
RB_GUP_EPIS_P ENERGY	-	-	-	-	-	-	-	-	-
RB_GUP_EPIS_P CUSTOMER	-	-	-	-	-	-	-	-	-
RB_GUP_EPIS_P TOTAL	-	-	-	-	-	-	-	-	-
RB_GUP_EPIS_T PRODUCTION	-	-	-	-	-	-	-	-	-
RB_GUP_EPIS_T BULKTRAN	-	-	-	-	-	-	-	-	-
RB_GUP_EPIS_T SUBTRAN	-	-	-	-	-	-	-	-	-
RB_GUP_EPIS_T DISTPRI	-	-	-	-	-	-	-	-	-
RB_GUP_EPIS_T DISTSEC	-	-	-	-	-	-	-	-	-
RB_GUP_EPIS_T ENERGY	-	-	-	-	-	-	-	-	-
RB_GUP_EPIS_T CUSTOMER	-	-	-	-	-	-	-	-	-
RB_GUP_EPIS_T TOTAL	-	-	-	-	-	-	-	-	-
RB_GUP_EPIS_D PRODUCTION	-	-	-	-	-	-	-	-	-
RB_GUP_EPIS_D BULKTRAN	-	-	-	-	-	-	-	-	-
RB_GUP_EPIS_D SUBTRAN	-	-	-	-	-	-	-	-	-
RB_GUP_EPIS_D DISTPRI	0.49894480	0.34273874	0.00789305	0.03795552	-	-	0.05803667	0.01058310	-
RB_GUP_EPIS_D DISTSEC	0.34481171	0.25677171	0.00781504	0.02440783	-	-	0.03111305	-	-
RB_GUP_EPIS_D ENERGY	-	-	-	-	-	-	-	-	-
RB_GUP_EPIS_D CUSTOMER	0.15624349	0.07440751	0.00807487	0.00623087	-	-	0.00137330	0.00044454	-
RB_GUP_EPIS_D TOTAL	1.00000000	0.67391797	0.02378297	0.06859421	-	-	0.09052301	0.01102765	-
RB_GUP_EPIS_G PRODUCTION	-	-	-	-	-	-	-	-	-
RB_GUP_EPIS_G BULKTRAN	-	-	-	-	-	-	-	-	-
RB_GUP_EPIS_G SUBTRAN	-	-	-	-	-	-	-	-	-
RB_GUP_EPIS_G DISTPRI	0.36794540	0.25275169	0.00582071	0.02799019	-	-	0.04279897	0.00780448	-
RB_GUP_EPIS_G DISTSEC	0.28727564	0.21392619	0.00651101	0.02033508	-	-	0.02592145	-	-
RB_GUP_EPIS_G ENERGY	-	-	-	-	-	-	-	-	-
RB_GUP_EPIS_G CUSTOMER	0.34477897	0.26077060	0.02200046	0.00895244	-	-	0.00167336	0.00032362	-
RB_GUP_EPIS_G TOTAL	1.00000000	0.72744848	0.03433218	0.05727770	-	-	0.07039378	0.00812810	-
RB_GUP-Land_P PRODUCTION	-	-	-	-	-	-	-	-	-
RB_GUP-Land_P BULKTRAN	-	-	-	-	-	-	-	-	-
RB_GUP-Land_P SUBTRAN	-	-	-	-	-	-	-	-	-
RB_GUP-Land_P DISTPRI	-	-	-	-	-	-	-	-	-
RB_GUP-Land_P DISTSEC	-	-	-	-	-	-	-	-	-
RB_GUP-Land_P ENERGY	-	-	-	-	-	-	-	-	-
RB_GUP-Land_P CUSTOMER	-	-	-	-	-	-	-	-	-
RB_GUP-Land_P TOTAL	-	-	-	-	-	-	-	-	-
RB_GUP-Land_T PRODUCTION	-	-	-	-	-	-	-	-	-
RB_GUP-Land_T BULKTRAN	-	-	-	-	-	-	-	-	-
RB_GUP-Land_T SUBTRAN	-	-	-	-	-	-	-	-	-
RB_GUP-Land_T DISTPRI	-	-	-	-	-	-	-	-	-
RB_GUP-Land_T DISTSEC	-	-	-	-	-	-	-	-	-
RB_GUP-Land_T ENERGY	-	-	-	-	-	-	-	-	-
RB_GUP-Land_T CUSTOMER	-	-	-	-	-	-	-	-	-
RB_GUP-Land_T TOTAL	-	-	-	-	-	-	-	-	-
RB_GUP-Land_D PRODUCTION	-	-	-	-	-	-	-	-	-
RB_GUP-Land_D BULKTRAN	-	-	-	-	-	-	-	-	-
RB_GUP-Land_D SUBTRAN	-	-	-	-	-	-	-	-	-
RB_GUP-Land_D DISTPRI	0.49042489	0.33688618	0.00775827	0.03730739	-	-	0.05704564	0.01040239	-
RB_GUP-Land_D DISTSEC	0.35067487	0.26113784	0.00794793	0.02482285	-	-	0.03164209	-	-
RB_GUP-Land_D ENERGY	-	-	-	-	-	-	-	-	-
RB_GUP-Land_D CUSTOMER	0.15890024	0.07567273	0.00821218	0.00633682	-	-	0.00139665	0.00045210	-
RB_GUP-Land_D TOTAL	1.00000000	0.67369676	0.02391838	0.06846706	-	-	0.09008438	0.01085449	-

**KINGSPORT POWER COMPANY**  
**CLASS COST-OF-SERVICE STUDY - ALLOCATION FACTORS**  
**TWELVE MONTHS ENDING JUNE 30, 2021**

KgPCo Exhibit No. 3-b  
Witness: MHW  
Page 6 of 14

Allocation Factor	IP-PRI 10	IP-SUB 11	IP-TRA 12	CS 13	PS 14	EHG 15	OL 16	SL 17
DIST_OH LINES PRODUCTION	-	-	-	-	-	-	-	-
DIST_OH LINES BULKTRAN	-	-	-	-	-	-	-	-
DIST_OH LINES SUBTRAN	-	-	-	-	-	-	-	-
DIST_OH LINES DISTPRI	0.01567249	-	-	0.00462600	0.01053457	0.01339795	0.00052945	0.00107455
DIST_OH LINES DISTSEC	-	-	-	0.00490395	0.01100897	0.01112155	0.00305757	0.00229694
DIST_OH LINES ENERGY	-	-	-	-	-	-	-	-
DIST_OH LINES CUSTOMER	-	-	-	-	-	-	-	-
DIST_OH LINES TOTAL	0.01567249	-	-	0.00952995	0.02154354	0.02451950	0.00358702	0.00337149
DIST_UG LINES PRODUCTION	-	-	-	-	-	-	-	-
DIST_UG LINES BULKTRAN	-	-	-	-	-	-	-	-
DIST_UG LINES SUBTRAN	-	-	-	-	-	-	-	-
DIST_UG LINES DISTPRI	0.01464234	-	-	0.00432193	0.00984214	0.01251731	0.00049465	0.00100392
DIST_UG LINES DISTSEC	-	-	-	0.00529462	0.01188601	0.01200756	0.00330116	0.00247993
DIST_UG LINES ENERGY	-	-	-	-	-	-	-	-
DIST_UG LINES CUSTOMER	-	-	-	-	-	-	-	-
DIST_UG LINES TOTAL	0.01464234	-	-	0.00961656	0.02172815	0.02452486	0.00379580	0.00348384
DIST_TRANSF PRODUCTION	-	-	-	-	-	-	-	-
DIST_TRANSF BULKTRAN	-	-	-	-	-	-	-	-
DIST_TRANSF SUBTRAN	-	-	-	-	-	-	-	-
DIST_TRANSF DISTPRI	0.00391965	-	-	0.00115695	0.00263467	0.00335079	0.00013241	0.00026874
DIST_TRANSF DISTSEC	-	-	-	0.00936114	0.02101501	0.02122991	0.00583660	0.00438462
DIST_TRANSF ENERGY	-	-	-	-	-	-	-	-
DIST_TRANSF CUSTOMER	-	-	-	-	-	-	-	-
DIST_TRANSF TOTAL	0.00391965	-	-	0.01051809	0.02364968	0.02458071	0.00596901	0.00465337
RB_GUP_EPIS_P PRODUCTION	-	-	-	-	-	-	-	-
RB_GUP_EPIS_P BULKTRAN	-	-	-	-	-	-	-	-
RB_GUP_EPIS_P SUBTRAN	-	-	-	-	-	-	-	-
RB_GUP_EPIS_P DISTPRI	-	-	-	-	-	-	-	-
RB_GUP_EPIS_P DISTSEC	-	-	-	-	-	-	-	-
RB_GUP_EPIS_P ENERGY	-	-	-	-	-	-	-	-
RB_GUP_EPIS_P CUSTOMER	-	-	-	-	-	-	-	-
RB_GUP_EPIS_P TOTAL	-	-	-	-	-	-	-	-
RB_GUP_EPIS_T PRODUCTION	-	-	-	-	-	-	-	-
RB_GUP_EPIS_T BULKTRAN	-	-	-	-	-	-	-	-
RB_GUP_EPIS_T SUBTRAN	-	-	-	-	-	-	-	-
RB_GUP_EPIS_T DISTPRI	-	-	-	-	-	-	-	-
RB_GUP_EPIS_T DISTSEC	-	-	-	-	-	-	-	-
RB_GUP_EPIS_T ENERGY	-	-	-	-	-	-	-	-
RB_GUP_EPIS_T CUSTOMER	-	-	-	-	-	-	-	-
RB_GUP_EPIS_T TOTAL	-	-	-	-	-	-	-	-
RB_GUP_EPIS_D PRODUCTION	-	-	-	-	-	-	-	-
RB_GUP_EPIS_D BULKTRAN	-	-	-	-	-	-	-	-
RB_GUP_EPIS_D SUBTRAN	-	-	-	-	-	-	-	-
RB_GUP_EPIS_D DISTPRI	0.01427149	-	-	0.00421247	0.00959286	0.01220027	0.00048212	0.00097849
RB_GUP_EPIS_D DISTSEC	-	-	-	0.00374039	0.00839689	0.00848275	0.00233211	0.00175195
RB_GUP_EPIS_D ENERGY	-	-	-	-	-	-	-	-
RB_GUP_EPIS_D CUSTOMER	0.00007936	-	0.00064061	0.00064174	0.00047343	0.00198055	0.01952553	0.04237115
RB_GUP_EPIS_D TOTAL	0.01435086	-	0.00064061	0.00859461	0.01846318	0.02266358	0.02233976	0.04510159
RB_GUP_EPIS_G PRODUCTION	-	-	-	-	-	-	-	-
RB_GUP_EPIS_G BULKTRAN	-	-	-	-	-	-	-	-
RB_GUP_EPIS_G SUBTRAN	-	-	-	-	-	-	-	-
RB_GUP_EPIS_G DISTPRI	0.01052447	-	-	0.00310647	0.00707423	0.00899706	0.00035554	0.00072159
RB_GUP_EPIS_G DISTSEC	-	-	-	0.00311626	0.00699576	0.00706730	0.00194297	0.00145961
RB_GUP_EPIS_G ENERGY	-	-	-	-	-	-	-	-
RB_GUP_EPIS_G CUSTOMER	0.00008865	-	0.00067026	0.00120520	0.00039931	0.00382024	0.02116721	0.02370762
RB_GUP_EPIS_G TOTAL	0.01061312	-	0.00067026	0.00742794	0.01446930	0.01988460	0.02346571	0.02586862
RB_GUP-Land_P PRODUCTION	-	-	-	-	-	-	-	-
RB_GUP-Land_P BULKTRAN	-	-	-	-	-	-	-	-
RB_GUP-Land_P SUBTRAN	-	-	-	-	-	-	-	-
RB_GUP-Land_P DISTPRI	-	-	-	-	-	-	-	-
RB_GUP-Land_P DISTSEC	-	-	-	-	-	-	-	-
RB_GUP-Land_P ENERGY	-	-	-	-	-	-	-	-
RB_GUP-Land_P CUSTOMER	-	-	-	-	-	-	-	-
RB_GUP-Land_P TOTAL	-	-	-	-	-	-	-	-
RB_GUP-Land_T PRODUCTION	-	-	-	-	-	-	-	-
RB_GUP-Land_T BULKTRAN	-	-	-	-	-	-	-	-
RB_GUP-Land_T SUBTRAN	-	-	-	-	-	-	-	-
RB_GUP-Land_T DISTPRI	-	-	-	-	-	-	-	-
RB_GUP-Land_T DISTSEC	-	-	-	-	-	-	-	-
RB_GUP-Land_T ENERGY	-	-	-	-	-	-	-	-
RB_GUP-Land_T CUSTOMER	-	-	-	-	-	-	-	-
RB_GUP-Land_T TOTAL	-	-	-	-	-	-	-	-
RB_GUP-Land_D PRODUCTION	-	-	-	-	-	-	-	-
RB_GUP-Land_D BULKTRAN	-	-	-	-	-	-	-	-
RB_GUP-Land_D SUBTRAN	-	-	-	-	-	-	-	-
RB_GUP-Land_D DISTPRI	0.01402779	-	-	0.00414054	0.00942906	0.01199194	0.00047389	0.00096178
RB_GUP-Land_D DISTSEC	-	-	-	0.00380399	0.00853967	0.00862699	0.00237176	0.00178174
RB_GUP-Land_D ENERGY	-	-	-	-	-	-	-	-
RB_GUP-Land_D CUSTOMER	0.00008071	-	0.00065151	0.00065266	0.00048148	0.00201423	0.01985754	0.04309163
RB_GUP-Land_D TOTAL	0.01410851	-	0.00065151	0.00859719	0.01845021	0.02263317	0.02270319	0.04583515

**KINGSPORT POWER COMPANY**  
**CLASS COST-OF-SERVICE STUDY - ALLOCATION FACTORS**  
**TWELVE MONTHS ENDING JUNE 30, 2021**

KgPCo Exhibit No. 3-b  
Witness: MHW  
Page 7 of 14

Allocation Factor	Total Retail	RS	SGS	MGS-SEC	MGS-PRI	MGS-SUB	LGS-SEC	LGS-PRI	LGS-SUB
	1	2	3	4	5	6	7	8	9
RB_GUP-Land_G PRODUCTION	-	-	-	-	-	-	-	-	-
RB_GUP-Land_G BULKTRAN	-	-	-	-	-	-	-	-	-
RB_GUP-Land_G SUBTRAN	-	-	-	-	-	-	-	-	-
RB_GUP-Land_G DISTPRI	0.36794540	0.25275169	0.00582071	0.02799019	-	-	0.04279897	0.00780448	-
RB_GUP-Land_G DISTSEC	0.28727564	0.21392619	0.00651101	0.02033508	-	-	0.02592145	-	-
RB_GUP-Land_G ENERGY	-	-	-	-	-	-	-	-	-
RB_GUP-Land_G CUSTOMER	0.34477897	0.26077060	0.02200046	0.00895244	-	-	0.00167336	0.00032362	-
RB_GUP-Land_G TOTAL	1.00000000	0.72744848	0.03433218	0.05727770	-	-	0.07039378	0.00812810	-
RB_GUP_CWIP PRODUCTION	-	-	-	-	-	-	-	-	-
RB_GUP_CWIP BULKTRAN	-	-	-	-	-	-	-	-	-
RB_GUP_CWIP SUBTRAN	-	-	-	-	-	-	-	-	-
RB_GUP_CWIP DISTPRI	0.45152492	0.31016474	0.00714290	0.03434821	-	-	0.05252084	0.00957728	-
RB_GUP_CWIP DISTSEC	0.32398449	0.24126226	0.00734300	0.02293355	-	-	0.02923376	-	-
RB_GUP_CWIP ENERGY	-	-	-	-	-	-	-	-	-
RB_GUP_CWIP CUSTOMER	0.22449059	0.14186824	0.01311573	0.00721604	-	-	0.00148192	0.00040077	-
RB_GUP_CWIP TOTAL	1.00000000	0.69329524	0.02760163	0.06449780	-	-	0.06323652	0.00997805	-
RB_GUP PRODUCTION	-	-	-	-	-	-	-	-	-
RB_GUP BULKTRAN	-	-	-	-	-	-	-	-	-
RB_GUP SUBTRAN	-	-	-	-	-	-	-	-	-
RB_GUP DISTPRI	0.48935982	0.33615456	0.00774142	0.03722637	-	-	0.05692175	0.01037980	-
RB_GUP DISTSEC	0.34060191	0.25363679	0.00771963	0.02410983	-	-	0.03073319	-	-
RB_GUP ENERGY	-	-	-	-	-	-	-	-	-
RB_GUP CUSTOMER	0.17003827	0.08804335	0.00909378	0.00643000	-	-	0.00139525	0.00043569	-
RB_GUP TOTAL	1.00000000	0.67783470	0.02455483	0.06776620	-	-	0.08905020	0.01081549	-
NP PRODUCTION	-	-	-	-	-	-	-	-	-
NP BULKTRAN	-	-	-	-	-	-	-	-	-
NP SUBTRAN	-	-	-	-	-	-	-	-	-
NP DISTPRI	0.48812391	0.33530558	0.00772187	0.03713236	-	-	0.05677800	0.01035358	-
NP DISTSEC	0.34005909	0.25323257	0.00770732	0.02407141	-	-	0.03068421	-	-
NP ENERGY	-	-	-	-	-	-	-	-	-
NP CUSTOMER	0.17181700	0.08980158	0.00922516	0.00645568	-	-	0.00139809	0.00043455	-
NP TOTAL	1.00000000	0.67833973	0.02465436	0.06765944	-	-	0.08886029	0.01078814	-
RATEBASE PRODUCTION	-	-	-	-	-	-	-	-	-
RATEBASE BULKTRAN	-	-	-	-	-	-	-	-	-
RATEBASE SUBTRAN	-	-	-	-	-	-	-	-	-
RATEBASE DISTPRI	0.48241077	0.33312229	0.00751135	0.03532569	-	-	0.05620672	0.00928282	-
RATEBASE DISTSEC	0.33786033	0.25244522	0.00752287	0.02297864	-	-	0.03047950	-	-
RATEBASE ENERGY	-	-	-	-	-	-	-	-	-
RATEBASE CUSTOMER	0.17972889	0.09643646	0.00952452	0.00628789	-	-	0.00140710	0.00038948	-
RATEBASE TOTAL	1.00000000	0.68200396	0.02455874	0.06459222	-	-	0.08809332	0.00967230	-
MISC_SERV_REV PRODUCTION	-	-	-	-	-	-	-	-	-
MISC_SERV_REV BULKTRAN	-	-	-	-	-	-	-	-	-
MISC_SERV_REV SUBTRAN	-	-	-	-	-	-	-	-	-
MISC_SERV_REV DISTPRI	0.46286757	0.41174441	0.02493382	0.01354919	-	-	0.00229218	0.00031192	-
MISC_SERV_REV DISTSEC	0.35676633	0.30846912	0.02468738	0.00871300	-	-	0.00122882	-	-
MISC_SERV_REV ENERGY	-	-	-	-	-	-	-	-	-
MISC_SERV_REV CUSTOMER	0.18036610	0.08938843	0.02550818	0.00222427	-	-	0.00005424	0.00001310	-
MISC_SERV_REV TOTAL	1.00000000	0.80960196	0.07512937	0.02448645	-	-	0.00357524	0.00032502	-

**KINGSPORT POWER COMPANY**  
**CLASS COST-OF-SERVICE STUDY - ALLOCATION FACTORS**  
**TWELVE MONTHS ENDING JUNE 30, 2021**

KgPCo Exhibit No. 3-b  
Witness: MHW  
Page 8 of 14

Allocation Factor	IP-PRI 10	IP-SUB 11	IP-TRA 12	CS 13	PS 14	EHG 15	OL 16	SL 17
RB_GUP-Land_G PRODUCTION	-	-	-	-	-	-	-	-
RB_GUP-Land_G BULKTRAN	-	-	-	-	-	-	-	-
RB_GUP-Land_G SUBTRAN	-	-	-	-	-	-	-	-
RB_GUP-Land_G DISTPRI	0.01052447	-	-	0.00310647	0.00707423	0.00899706	0.00035554	0.00072159
RB_GUP-Land_G DISTSEC	-	-	-	0.00311626	0.00699576	0.00706730	0.00194297	0.00145961
RB_GUP-Land_G ENERGY	-	-	-	-	-	-	-	-
RB_GUP-Land_G CUSTOMER	0.00008865	-	0.00067026	0.00120520	0.00039931	0.00382024	0.02116721	0.02370762
RB_GUP-Land_G TOTAL	0.01061312	-	0.00067026	0.00742794	0.01446930	0.01988460	0.02346571	0.02588882
RB_GUP_CWIP PRODUCTION	-	-	-	-	-	-	-	-
RB_GUP_CWIP BULKTRAN	-	-	-	-	-	-	-	-
RB_GUP_CWIP SUBTRAN	-	-	-	-	-	-	-	-
RB_GUP_CWIP DISTPRI	0.01291513	-	-	0.00381212	0.00868116	0.01104076	0.00043630	0.00088550
RB_GUP_CWIP DISTSEC	-	-	-	0.00351447	0.00788970	0.00797038	0.00219124	0.00164613
RB_GUP_CWIP ENERGY	-	-	-	-	-	-	-	-
RB_GUP_CWIP CUSTOMER	0.00008272	-	0.00065135	0.00084571	0.00044660	0.00264649	0.02011979	0.03561523
RB_GUP_CWIP TOTAL	0.01299785	-	0.00065135	0.00817229	0.01701746	0.02165763	0.02274734	0.03814685
RB_GUP PRODUCTION	-	-	-	-	-	-	-	-
RB_GUP BULKTRAN	-	-	-	-	-	-	-	-
RB_GUP SUBTRAN	-	-	-	-	-	-	-	-
RB_GUP DISTPRI	0.01399733	-	-	0.00413155	0.00940858	0.01196590	0.00047286	0.00095969
RB_GUP DISTSEC	-	-	-	0.00369473	0.00829437	0.00837919	0.00230363	0.00173056
RB_GUP ENERGY	-	-	-	-	-	-	-	-
RB_GUP CUSTOMER	0.00008004	-	0.00064278	0.00068297	0.00046801	0.00211516	0.01964565	0.04100558
RB_GUP TOTAL	0.01407737	-	0.00064278	0.00850924	0.01817096	0.02246025	0.02242214	0.04369583
NP PRODUCTION	-	-	-	-	-	-	-	-
NP BULKTRAN	-	-	-	-	-	-	-	-
NP SUBTRAN	-	-	-	-	-	-	-	-
NP DISTPRI	0.01396198	-	-	0.00412111	0.00938482	0.01193568	0.00047166	0.00095727
NP DISTSEC	-	-	-	0.00368884	0.00828115	0.00836583	0.00229996	0.00172780
NP ENERGY	-	-	-	-	-	-	-	-
NP CUSTOMER	0.00008013	-	0.00064306	0.00068829	0.00046731	0.00213252	0.01966114	0.04082950
NP TOTAL	0.01404211	-	0.00064306	0.00849824	0.01813328	0.02243403	0.02243276	0.04351457
RATEBASE PRODUCTION	-	-	-	-	-	-	-	-
RATEBASE BULKTRAN	-	-	-	-	-	-	-	-
RATEBASE SUBTRAN	-	-	-	-	-	-	-	-
RATEBASE DISTPRI	0.01423549	-	-	0.00412466	0.00956866	0.01157740	0.00047967	0.00097602
RATEBASE DISTSEC	-	-	-	0.00370465	0.00847229	0.00814250	0.00234698	0.00176768
RATEBASE ENERGY	-	-	-	-	-	-	-	-
RATEBASE CUSTOMER	0.00008278	-	0.00066278	0.00071473	0.00047827	0.00214929	0.02023755	0.04135805
RATEBASE TOTAL	0.01431827	-	0.00066278	0.00854404	0.01851922	0.02186919	0.02306420	0.04410175
MISC_SERV_REV PRODUCTION	-	-	-	-	-	-	-	-
MISC_SERV_REV BULKTRAN	-	-	-	-	-	-	-	-
MISC_SERV_REV SUBTRAN	-	-	-	-	-	-	-	-
MISC_SERV_REV DISTPRI	0.00003803	-	-	0.00180855	0.00030794	0.00635622	0.00152365	0.00000166
MISC_SERV_REV DISTSEC	-	-	-	0.00160588	0.00026955	0.00441943	0.00737019	0.00000297
MISC_SERV_REV ENERGY	-	-	-	-	-	-	-	-
MISC_SERV_REV CUSTOMER	0.00000021	-	0.00007648	0.00027552	0.00001520	0.00103185	0.06170679	0.00007185
MISC_SERV_REV TOTAL	0.00003824	-	0.00007648	0.00368995	0.00059269	0.01180750	0.07060063	0.00007648

**KINGSPORT POWER COMPANY**  
**CLASS COST-OF-SERVICE STUDY - ALLOCATION FACTORS**  
**TWELVE MONTHS ENDING JUNE 30, 2021**

KgPCo Exhibit No. 3-b  
Witness: MHW  
Page 9 of 14

Allocation Factor	Total	RS	SGS	MGS-SEC	MGS-PRI	MGS-SUB	LGS-SEC	LGS-PRI	LGS-SUB
	1	2	3	4	5	6	7	8	9
362 STATIONS PRODUCTION	-	-	-	-	-	-	-	-	-
362 STATIONS BULKTRAN	-	-	-	-	-	-	-	-	-
362 STATIONS SUBTRAN	-	-	-	-	-	-	-	-	-
362 STATIONS DISTPRI	1.00000000	0.68692718	0.01581949	0.07607158	-	-	0.11631882	0.02121097	-
362 STATIONS DISTSEC	-	-	-	-	-	-	-	-	-
362 STATIONS ENERGY	-	-	-	-	-	-	-	-	-
362 STATIONS CUSTOMER	-	-	-	-	-	-	-	-	-
362 STATIONS TOTAL	1.00000000	0.68692718	0.01581949	0.07607158	-	-	0.11631882	0.02121097	-
TOTOHLINES PRODUCTION	-	-	-	-	-	-	-	-	-
TOTOHLINES BULKTRAN	-	-	-	-	-	-	-	-	-
TOTOHLINES SUBTRAN	-	-	-	-	-	-	-	-	-
TOTOHLINES DISTPRI	0.54174490	0.37213929	0.00857013	0.04121139	-	-	0.06301512	0.01149094	-
TOTOHLINES DISTSEC	0.45825510	0.34124986	0.01038620	0.03243802	-	-	0.04134927	-	-
TOTOHLINES ENERGY	-	-	-	-	-	-	-	-	-
TOTOHLINES CUSTOMER	-	-	-	-	-	-	-	-	-
TOTOHLINES TOTAL	1.00000000	0.71338915	0.01895633	0.07364941	-	-	0.10436439	0.01149094	-
TOTUGLINES PRODUCTION	-	-	-	-	-	-	-	-	-
TOTUGLINES BULKTRAN	-	-	-	-	-	-	-	-	-
TOTUGLINES SUBTRAN	-	-	-	-	-	-	-	-	-
TOTUGLINES DISTPRI	0.51191015	0.35164499	0.00809816	0.03894181	-	-	0.05954478	0.01085811	-
TOTUGLINES DISTSEC	0.48808985	0.36346697	0.01106239	0.03454990	-	-	0.04404132	-	-
TOTUGLINES ENERGY	-	-	-	-	-	-	-	-	-
TOTUGLINES CUSTOMER	-	-	-	-	-	-	-	-	-
TOTUGLINES TOTAL	1.00000000	0.71511196	0.01916055	0.07349172	-	-	0.10358610	0.01085811	-
368 TRANSFORMERS PRODUCTION	-	-	-	-	-	-	-	-	-
368 TRANSFORMERS BULKTRAN	-	-	-	-	-	-	-	-	-
368 TRANSFORMERS SUBTRAN	-	-	-	-	-	-	-	-	-
368 TRANSFORMERS DISTPRI	0.13703472	0.09413287	0.00216782	0.01042445	-	-	0.01583972	0.00290664	-
368 TRANSFORMERS DISTSEC	0.86296528	0.64262629	0.01955882	0.06108582	-	-	0.07786707	-	-
368 TRANSFORMERS ENERGY	-	-	-	-	-	-	-	-	-
368 TRANSFORMERS CUSTOMER	-	-	-	-	-	-	-	-	-
368 TRANSFORMERS TOTAL	1.00000000	0.73675917	0.02172664	0.07151027	-	-	0.09380679	0.00290664	-
TOTBSEXP PRODUCTION	-	-	-	-	-	-	-	-	-
TOTBSEXP BULKTRAN	-	-	-	-	-	-	-	-	-
TOTBSEXP SUBTRAN	-	-	-	-	-	-	-	-	-
TOTBSEXP DISTPRI	-	-	-	-	-	-	-	-	-
TOTBSEXP DISTSEC	-	-	-	-	-	-	-	-	-
TOTBSEXP ENERGY	-	-	-	-	-	-	-	-	-
TOTBSEXP CUSTOMER	-	-	-	-	-	-	-	-	-
TOTBSEXP TOTAL	-	-	-	-	-	-	-	-	-
TOTOXEXP PRODUCTION	-	-	-	-	-	-	-	-	-
TOTOXEXP BULKTRAN	-	-	-	-	-	-	-	-	-
TOTOXEXP SUBTRAN	-	-	-	-	-	-	-	-	-
TOTOXEXP DISTPRI	0.45881831	0.31517477	0.00725827	0.03490303	-	-	0.05336920	0.00973198	-
TOTOXEXP DISTSEC	0.26297754	0.19583207	0.00596030	0.01861512	-	-	0.02372899	-	-
TOTOXEXP ENERGY	-	-	-	-	-	-	-	-	-
TOTOXEXP CUSTOMER	0.27820415	0.10854345	0.01301021	0.01327671	-	-	0.00310235	0.00112679	-
TOTOXEXP TOTAL	1.00000000	0.61955029	0.02622878	0.06679485	-	-	0.08020053	0.01085877	-
TOTMXEXP PRODUCTION	-	-	-	-	-	-	-	-	-
TOTMXEXP BULKTRAN	-	-	-	-	-	-	-	-	-
TOTMXEXP SUBTRAN	-	-	-	-	-	-	-	-	-
TOTMXEXP DISTPRI	0.53697876	0.36886530	0.00849473	0.04084882	-	-	0.06246073	0.01138984	-
TOTMXEXP DISTSEC	0.44688486	0.33276786	0.01012804	0.03163175	-	-	0.04032150	-	-
TOTMXEXP ENERGY	-	-	-	-	-	-	-	-	-
TOTMXEXP CUSTOMER	0.01615638	0.00434744	0.00054158	0.00060147	-	-	0.00014255	0.00005249	-
TOTMXEXP TOTAL	1.00000000	0.70598060	0.01916435	0.07308205	-	-	0.10292479	0.01144233	-
EXP_OM_DIST PRODUCTION	-	-	-	-	-	-	-	-	-
EXP_OM_DIST BULKTRAN	-	-	-	-	-	-	-	-	-
EXP_OM_DIST SUBTRAN	-	-	-	-	-	-	-	-	-
EXP_OM_DIST DISTPRI	0.51941099	0.35679752	0.00821682	0.03951241	-	-	0.06041727	0.01101721	-
EXP_OM_DIST DISTSEC	0.40533333	0.30198942	0.00919128	0.02870606	-	-	0.03659208	-	-
EXP_OM_DIST ENERGY	-	-	-	-	-	-	-	-	-
EXP_OM_DIST CUSTOMER	0.07505568	0.02776710	0.00334410	0.00345043	-	-	0.00080781	0.00029395	-
EXP_OM_DIST TOTAL	1.00000000	0.68655405	0.02075219	0.07166890	-	-	0.09781716	0.01131117	-
TOTOX234 PRODUCTION	-	-	-	-	-	-	-	-	-
TOTOX234 BULKTRAN	-	-	-	-	-	-	-	-	-
TOTOX234 SUBTRAN	-	-	-	-	-	-	-	-	-
TOTOX234 DISTPRI	-	-	-	-	-	-	-	-	-
TOTOX234 DISTSEC	-	-	-	-	-	-	-	-	-
TOTOX234 ENERGY	-	-	-	-	-	-	-	-	-
TOTOX234 CUSTOMER	1.00000000	0.83047137	0.06689543	0.02180341	-	-	0.00318133	0.00028920	-
TOTOX234 TOTAL	1.00000000	0.83047137	0.06689543	0.02180341	-	-	0.00318133	0.00028920	-
EXP_OM_CUSTACCT PRODUCTION	-	-	-	-	-	-	-	-	-
EXP_OM_CUSTACCT BULKTRAN	-	-	-	-	-	-	-	-	-
EXP_OM_CUSTACCT SUBTRAN	-	-	-	-	-	-	-	-	-
EXP_OM_CUSTACCT DISTPRI	-	-	-	-	-	-	-	-	-
EXP_OM_CUSTACCT DISTSEC	-	-	-	-	-	-	-	-	-
EXP_OM_CUSTACCT ENERGY	-	-	-	-	-	-	-	-	-
EXP_OM_CUSTACCT CUSTOMER	1.00000000	0.83047137	0.06689543	0.02180341	-	-	0.00318133	0.00028920	-
EXP_OM_CUSTACCT TOTAL	1.00000000	0.83047137	0.06689543	0.02180341	-	-	0.00318133	0.00028920	-

**KINGSPORT POWER COMPANY**  
**CLASS COST-OF-SERVICE STUDY - ALLOCATION FACTORS**  
**TWELVE MONTHS ENDING JUNE 30, 2021**

KgPCo Exhibit No. 3-b  
Witness: MHW  
Page 10 of 14

Allocation Factor	IP-PRI 10	IP-SUB 11	IP-TRA 12	CS 13	PS 14	EHG 15	OL 16	SL 17
362 STATIONS PRODUCTION	-	-	-	-	-	-	-	-
362 STATIONS BULKTRAN	-	-	-	-	-	-	-	-
362 STATIONS SUBTRAN	-	-	-	-	-	-	-	-
362 STATIONS DISTPRI	0.02860335	-	-	0.00844276	0.01922630	0.02445215	0.00096628	0.00196112
362 STATIONS DISTSEC	-	-	-	-	-	-	-	-
362 STATIONS ENERGY	-	-	-	-	-	-	-	-
362 STATIONS CUSTOMER	-	-	-	-	-	-	-	-
362 STATIONS TOTAL	0.02860335	-	-	0.00844276	0.01922630	0.02445215	0.00096628	0.00196112
TOTOHLINES PRODUCTION	-	-	-	-	-	-	-	-
TOTOHLINES BULKTRAN	-	-	-	-	-	-	-	-
TOTOHLINES SUBTRAN	-	-	-	-	-	-	-	-
TOTOHLINES DISTPRI	0.01549572	-	-	0.00457382	0.01041575	0.01324683	0.00052348	0.00106243
TOTOHLINES DISTSEC	-	-	-	0.00497099	0.01115947	0.01127359	0.00309937	0.00232834
TOTOHLINES ENERGY	-	-	-	-	-	-	-	-
TOTOHLINES CUSTOMER	-	-	-	-	-	-	-	-
TOTOHLINES TOTAL	0.01549572	-	-	0.00954481	0.02157522	0.02452042	0.00362285	0.00339077
TOTUGLINES PRODUCTION	-	-	-	-	-	-	-	-
TOTUGLINES BULKTRAN	-	-	-	-	-	-	-	-
TOTUGLINES SUBTRAN	-	-	-	-	-	-	-	-
TOTUGLINES DISTPRI	0.01464234	-	-	0.00432193	0.00984214	0.01251731	0.00049465	0.00100392
TOTUGLINES DISTSEC	-	-	-	0.00529462	0.01188601	0.01200756	0.00330116	0.00247993
TOTUGLINES ENERGY	-	-	-	-	-	-	-	-
TOTUGLINES CUSTOMER	-	-	-	-	-	-	-	-
TOTUGLINES TOTAL	0.01464234	-	-	0.00961656	0.02172815	0.02452486	0.00379580	0.00348384
368 TRANSFORMERS PRODUCTION	-	-	-	-	-	-	-	-
368 TRANSFORMERS BULKTRAN	-	-	-	-	-	-	-	-
368 TRANSFORMERS SUBTRAN	-	-	-	-	-	-	-	-
368 TRANSFORMERS DISTPRI	0.00391965	-	-	0.00115695	0.00263467	0.00335079	0.00013241	0.00026874
368 TRANSFORMERS DISTSEC	-	-	-	0.00936114	0.02101501	0.02122991	0.00583860	0.00438462
368 TRANSFORMERS ENERGY	-	-	-	-	-	-	-	-
368 TRANSFORMERS CUSTOMER	-	-	-	-	-	-	-	-
368 TRANSFORMERS TOTAL	0.00391965	-	-	0.01051809	0.02364968	0.02458071	0.00596901	0.00465337
TOTBEXP PRODUCTION	-	-	-	-	-	-	-	-
TOTBEXP BULKTRAN	-	-	-	-	-	-	-	-
TOTBEXP SUBTRAN	-	-	-	-	-	-	-	-
TOTBEXP DISTPRI	-	-	-	-	-	-	-	-
TOTBEXP DISTSEC	-	-	-	-	-	-	-	-
TOTBEXP ENERGY	-	-	-	-	-	-	-	-
TOTBEXP CUSTOMER	-	-	-	-	-	-	-	-
TOTBEXP TOTAL	-	-	-	-	-	-	-	-
TOTOXEXP PRODUCTION	-	-	-	-	-	-	-	-
TOTOXEXP BULKTRAN	-	-	-	-	-	-	-	-
TOTOXEXP SUBTRAN	-	-	-	-	-	-	-	-
TOTOXEXP DISTPRI	0.01312374	-	-	0.00387369	0.00882138	0.01121910	0.00044335	0.00089980
TOTOXEXP DISTSEC	-	-	-	0.00285269	0.00640405	0.00646954	0.00177863	0.00133616
TOTOXEXP ENERGY	-	-	-	-	-	-	-	-
TOTOXEXP CUSTOMER	0.00020051	-	0.00160842	0.00125450	0.00113137	0.00383108	0.01462478	0.11649400
TOTOXEXP TOTAL	0.01332425	-	0.00160842	0.00798088	0.01635680	0.02151972	0.01684675	0.11872995
TOTMXEXP PRODUCTION	-	-	-	-	-	-	-	-
TOTMXEXP BULKTRAN	-	-	-	-	-	-	-	-
TOTMXEXP SUBTRAN	-	-	-	-	-	-	-	-
TOTMXEXP DISTPRI	0.01535939	-	-	0.00453358	0.01032412	0.01313029	0.00051887	0.00105308
TOTMXEXP DISTSEC	-	-	-	0.00484743	0.01088209	0.01099338	0.00302233	0.00227047
TOTMXEXP ENERGY	-	-	-	-	-	-	-	-
TOTMXEXP CUSTOMER	0.00000937	-	0.00007564	0.00005555	0.00005265	0.00016912	0.00075096	0.00935757
TOTMXEXP TOTAL	0.01536876	-	0.00007564	0.00943656	0.02125886	0.02429279	0.00429216	0.01268111
EXP_OM_DIST PRODUCTION	-	-	-	-	-	-	-	-
EXP_OM_DIST BULKTRAN	-	-	-	-	-	-	-	-
EXP_OM_DIST SUBTRAN	-	-	-	-	-	-	-	-
EXP_OM_DIST DISTPRI	0.01485689	-	-	0.00438526	0.00998635	0.01270072	0.00050190	0.00101863
EXP_OM_DIST DISTSEC	-	-	-	0.00439908	0.00987559	0.00997857	0.00274279	0.00206047
EXP_OM_DIST ENERGY	-	-	-	-	-	-	-	-
EXP_OM_DIST CUSTOMER	0.00005233	-	0.00042016	0.00032503	0.00029511	0.00099221	0.00386931	0.03343814
EXP_OM_DIST TOTAL	0.01490923	-	0.00042016	0.00910937	0.02015705	0.02366950	0.00711400	0.03651723
TOTOX234 PRODUCTION	-	-	-	-	-	-	-	-
TOTOX234 BULKTRAN	-	-	-	-	-	-	-	-
TOTOX234 SUBTRAN	-	-	-	-	-	-	-	-
TOTOX234 DISTPRI	-	-	-	-	-	-	-	-
TOTOX234 DISTSEC	-	-	-	-	-	-	-	-
TOTOX234 ENERGY	-	-	-	-	-	-	-	-
TOTOX234 CUSTOMER	0.00003538	-	0.00006616	0.00328745	0.00052765	0.01051323	0.06286323	0.00006616
TOTOX234 TOTAL	0.00003538	-	0.00006616	0.00328745	0.00052765	0.01051323	0.06286323	0.00006616
EXP_OM_CUSTACCT PRODUCTION	-	-	-	-	-	-	-	-
EXP_OM_CUSTACCT BULKTRAN	-	-	-	-	-	-	-	-
EXP_OM_CUSTACCT SUBTRAN	-	-	-	-	-	-	-	-
EXP_OM_CUSTACCT DISTPRI	-	-	-	-	-	-	-	-
EXP_OM_CUSTACCT DISTSEC	-	-	-	-	-	-	-	-
EXP_OM_CUSTACCT ENERGY	-	-	-	-	-	-	-	-
EXP_OM_CUSTACCT CUSTOMER	0.00003538	-	0.00006616	0.00328745	0.00052765	0.01051323	0.06286323	0.00006616
EXP_OM_CUSTACCT TOTAL	0.00003538	-	0.00006616	0.00328745	0.00052765	0.01051323	0.06286323	0.00006616

KINGSPORT POWER COMPANY  
CLASS COST-OF-SERVICE STUDY - ALLOCATION FACTORS  
TWELVE MONTHS ENDING JUNE 30, 2021

KgPCo Exhibit No. 3-b  
Witness: MHW  
Page 11 of 14

Allocation	Total								
Factor	Retail	RS	SGS	MGS-SEC	MGS-PRI	MGS-SUB	LGS-SEC	LGS-PRI	LGS-SUB
	1	2	3	4	5	6	7	8	9
EXP_OM_CUSTSERV PRODUCTION	-	-	-	-	-	-	-	-	-
EXP_OM_CUSTSERV BULKTRAN	-	-	-	-	-	-	-	-	-
EXP_OM_CUSTSERV SUBTRAN	-	-	-	-	-	-	-	-	-
EXP_OM_CUSTSERV DISTPRI	-	-	-	-	-	-	-	-	-
EXP_OM_CUSTSERV DISTSEC	-	-	-	-	-	-	-	-	-
EXP_OM_CUSTSERV ENERGY	-	-	-	-	-	-	-	-	-
EXP_OM_CUSTSERV CUSTOMER	1.00000000	0.79148467	0.07140464	0.02725511	-	-	0.00947997	0.00141706	-
EXP_OM_CUSTSERV TOTAL	1.00000000	0.79148467	0.07140464	0.02725511	-	-	0.00947997	0.00141706	-
EXP_OM PRODUCTION	-	-	-	-	-	-	-	-	-
EXP_OM BULKTRAN	-	-	-	-	-	-	-	-	-
EXP_OM SUBTRAN	-	-	-	-	-	-	-	-	-
EXP_OM DISTPRI	0.42477790	0.28511289	0.00707029	0.03409886	-	-	0.05250415	0.01025516	-
EXP_OM DISTSEC	0.32821460	0.24065473	0.00782961	0.02451822	-	-	0.03145147	-	-
EXP_OM ENERGY	-	-	-	-	-	-	-	-	-
EXP_OM CUSTOMER	0.24700750	0.17138119	0.01564965	0.00730885	-	-	0.00142857	0.00036710	-
EXP_OM TOTAL	1.00000000	0.69714882	0.03054955	0.06592593	-	-	0.08538419	0.01062226	-
LABOR_M PRODUCTION	-	-	-	-	-	-	-	-	-
LABOR_M BULKTRAN	-	-	-	-	-	-	-	-	-
LABOR_M SUBTRAN	-	-	-	-	-	-	-	-	-
LABOR_M DISTPRI	0.36794540	0.25275169	0.00582071	0.02799019	-	-	0.04279897	0.00780448	-
LABOR_M DISTSEC	0.28727564	0.21392619	0.00651101	0.02033508	-	-	0.02592145	-	-
LABOR_M ENERGY	-	-	-	-	-	-	-	-	-
LABOR_M CUSTOMER	0.34477897	0.26077060	0.02200046	0.00895244	-	-	0.00167336	0.00032362	-
LABOR_M TOTAL	1.00000000	0.72744848	0.03433218	0.05727770	-	-	0.07039378	0.00812810	-
RSale PRODUCTION	-	-	-	-	-	-	-	-	-
RSale BULKTRAN	-	-	-	-	-	-	-	-	-
RSale SUBTRAN	-	-	-	-	-	-	-	-	-
RSale DISTPRI	0.47879012	0.15347545	0.01678100	0.08331568	-	-	0.13697149	0.04286198	-
RSale DISTSEC	0.28871993	0.11630607	0.01680674	0.05419514	-	-	0.07427621	-	-
RSale ENERGY	-	-	-	-	-	-	-	-	-
RSale CUSTOMER	0.23248995	0.04443002	0.02127860	0.01482998	-	-	0.00342900	0.00179836	-
RSale TOTAL	1.00000000	0.31421153	0.05486634	0.15234080	-	-	0.21467669	0.04466034	-

**KINGSPORT POWER COMPANY**  
**CLASS COST-OF-SERVICE STUDY - ALLOCATION FACTORS**  
**TWELVE MONTHS ENDING JUNE 30, 2021**

KgPCo Exhibit No. 3-b  
Witness: MHW  
Page 12 of 14

Allocation Factor	<u>IP-PRI</u> 10	<u>IP-SUB</u> 11	<u>IP-TRA</u> 12	<u>CS</u> 13	<u>PS</u> 14	<u>EHG</u> 15	<u>OL</u> 16	<u>SL</u> 17
EXP_OM_CUSTSERV PRODUCTION	-	-	-	-	-	-	-	-
EXP_OM_CUSTSERV BULKTRAN	-	-	-	-	-	-	-	-
EXP_OM_CUSTSERV SUBTRAN	-	-	-	-	-	-	-	-
EXP_OM_CUSTSERV DISTPRI	-	-	-	-	-	-	-	-
EXP_OM_CUSTSERV DISTSEC	-	-	-	-	-	-	-	-
EXP_OM_CUSTSERV ENERGY	-	-	-	-	-	-	-	-
EXP_OM_CUSTSERV CUSTOMER	0.00153396	-	0.01290043	0.00387940	0.00184933	0.01238783	0.06630164	0.00010596
EXP_OM_CUSTSERV TOTAL	0.00153396	-	0.01290043	0.00387940	0.00184933	0.01238783	0.06630164	0.00010596
EXP_OM PRODUCTION	-	-	-	-	-	-	-	-
EXP_OM BULKTRAN	-	-	-	-	-	-	-	-
EXP_OM SUBTRAN	-	-	-	-	-	-	-	-
EXP_OM DISTPRI	0.01220307	-	-	0.00368154	0.00797849	0.01061750	0.00041585	0.00084009
EXP_OM DISTSEC	-	-	-	0.00366489	0.00786851	0.00827981	0.00225808	0.00168928
EXP_OM ENERGY	-	-	-	-	-	-	-	-
EXP_OM CUSTOMER	0.00007123	-	0.00313847	0.00090360	0.00035366	0.00284003	0.01552230	0.02804286
EXP_OM TOTAL	0.01227430	-	0.00313847	0.00825002	0.01620067	0.02173733	0.01819623	0.03057223
LABOR_M PRODUCTION	-	-	-	-	-	-	-	-
LABOR_M BULKTRAN	-	-	-	-	-	-	-	-
LABOR_M SUBTRAN	-	-	-	-	-	-	-	-
LABOR_M DISTPRI	0.01052447	-	-	0.00310647	0.00707423	0.00899706	0.00035554	0.00072159
LABOR_M DISTSEC	-	-	-	0.00311626	0.00699576	0.00706730	0.00194297	0.00145961
LABOR_M ENERGY	-	-	-	-	-	-	-	-
LABOR_M CUSTOMER	0.00008865	-	0.00067026	0.00120520	0.00039931	0.00382024	0.02116721	0.02370762
LABOR_M TOTAL	0.01061312	-	0.00067026	0.00742794	0.01446930	0.01988460	0.02346571	0.02588882
RSALE PRODUCTION	-	-	-	-	-	-	-	-
RSALE BULKTRAN	-	-	-	-	-	-	-	-
RSALE SUBTRAN	-	-	-	-	-	-	-	-
RSALE DISTPRI	0.01508718	-	-	0.00654390	0.00425646	0.01776858	0.00060429	0.00112411
RSALE DISTSEC	-	-	-	0.00587755	0.00376876	0.01249682	0.00295676	0.00203589
RSALE ENERGY	-	-	-	-	-	-	-	-
RSALE CUSTOMER	0.00008774	-	0.06886211	0.00113395	0.00021275	0.00329865	0.02549556	0.04763324
RSALE TOTAL	0.01517492	-	0.06886211	0.01355540	0.00823797	0.03356404	0.02905661	0.05079324

KINGSPORT POWER COMPANY  
CLASS COST-OF-SERVICE STUDY - ALLOCATION FACTORS  
TWELVE MONTHS ENDING JUNE 30, 2021

KgPCo Exhibit No. 3-b  
Witness: MHW  
Page 13 of 14

Allocation Factor	Total								
	<u>Retail</u>	<u>RS</u>	<u>SGS</u>	<u>MGS-SEC</u>	<u>MGS-PRI</u>	<u>MGS-SUB</u>	<u>LGS-SEC</u>	<u>LGS-PRI</u>	<u>LGS-SUB</u>
	1	2	3	4	5	6	7	8	9
RSale_D PRODUCTION	-	-	-	-	-	-	-	-	-
RSale_D BULKTRAN	-	-	-	-	-	-	-	-	-
RSale_D SUBTRAN	-	-	-	-	-	-	-	-	-
RSale_D DISTPRI	0.47879012	0.15347545	0.01678100	0.08331568	-	-	0.13697149	0.04286198	-
RSale_D DISTSEC	0.28871993	0.11630607	0.01680674	0.05419514	-	-	0.07427621	-	-
RSale_D ENERGY	-	-	-	-	-	-	-	-	-
RSale_D CUSTOMER	0.23248995	0.04443002	0.02127860	0.01482998	-	-	0.00342900	0.00179836	-
RSale_D TOTAL	1.00000000	0.31421153	0.05486634	0.15234080	-	-	0.21467669	0.04466034	-
FORF_DISC PRODUCTION	-	-	-	-	-	-	-	-	-
FORF_DISC BULKTRAN	-	-	-	-	-	-	-	-	-
FORF_DISC SUBTRAN	-	-	-	-	-	-	-	-	-
FORF_DISC DISTPRI	0.49814638	0.39949945	0.00710303	0.03245410	-	-	0.03353776	0.01162287	-
FORF_DISC DISTSEC	0.35949252	0.30274686	0.00711392	0.02111073	-	-	0.01818668	-	-
FORF_DISC ENERGY	-	-	-	-	-	-	-	-	-
FORF_DISC CUSTOMER	0.14235911	0.11565216	0.00900676	0.00577675	-	-	0.00083960	0.00048766	-
FORF_DISC TOTAL	1.00000000	0.81789847	0.02322371	0.05934158	-	-	0.05256404	0.01211053	-

KINGSPORT POWER COMPANY  
CLASS COST-OF-SERVICE STUDY - ALLOCATION FACTORS  
TWELVE MONTHS ENDING JUNE 30, 2021

KgPCo Exhibit No. 3-b  
Witness: MHW  
Page 14 of 14

Allocation Factor	<u>IP-PRI</u> 10	<u>IP-SUB</u> 11	<u>IP-TRA</u> 12	<u>CS</u> 13	<u>PS</u> 14	<u>EHG</u> 15	<u>OL</u> 16	<u>SL</u> 17
RSale_D PRODUCTION	-	-	-	-	-	-	-	-
RSale_D BULKTRAN	-	-	-	-	-	-	-	-
RSale_D SUBTRAN	-	-	-	-	-	-	-	-
RSale_D DISTPRI	0.01508718	-	-	0.00654390	0.00425646	0.01776858	0.00060429	0.00112411
RSale_D DISTSEC	-	-	-	0.00587755	0.00376876	0.01249682	0.00295676	0.00203589
RSale_D ENERGY	-	-	-	-	-	-	-	-
RSale_D CUSTOMER	0.00008774	-	0.06886211	0.00113395	0.00021275	0.00329865	0.02549556	0.04763324
RSale_D TOTAL	0.01517492	-	0.06886211	0.01355540	0.00823797	0.03356404	0.02905661	0.05079324
FORF_DISC PRODUCTION	-	-	-	-	-	-	-	-
FORF_DISC BULKTRAN	-	-	-	-	-	-	-	-
FORF_DISC SUBTRAN	-	-	-	-	-	-	-	-
FORF_DISC DISTPRI	-	-	-	0.00141741	-	0.01245166	0.00006210	-
FORF_DISC DISTSEC	-	-	-	0.00127308	-	0.00875737	0.00030387	-
FORF_DISC ENERGY	-	-	-	-	-	-	-	-
FORF_DISC CUSTOMER	-	-	0.00541877	0.00024561	-	0.00231159	0.00262020	-
FORF_DISC TOTAL	-	-	0.00541877	0.00293610	-	0.02352062	0.00298618	-

**Exhibit No. 3-c (MHW)**

**KINGSPORT POWER COMPANY**  
**CLASS COST-OF-SERVICE STUDY - ALLOCATION INPUT**  
**TWELVE MONTHS ENDING JUNE 30, 2021**

KgPCo Exhibit No. 3c  
 Witness: MH-W  
 Page 1 of 27

ALLOCATOR	FUNCTION	Total	RS	SGS	MGS-SEC	LGS-SEC	LGS-PRI	IP-PRI	IP-TRA	CS	PS	EHG	OL	SL
INPUTS FROM WORKPAPERS														
CPG	PRODUCTION	282,426	144,971	4,014	19,704	28,283	5,136	6,919	59,254	1,917	5,972	6,015	83	158
PROD_DEMAND	BULKTRAN	1,00000000	0.51330676	0.01421401	0.06976594	0.10014290	0.01818459	0.02449867	0.20980299	0.00678820	0.02114416	0.02129839	0.00029376	0.00055863
PROD_DEMAND	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
PROD_DEMAND	DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-
PROD_DEMAND	DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-
PROD_DEMAND	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-
PROD_DEMAND	CUSTOMER	-	-	-	-	-	-	-	-	-	-	-	-	-
PROD_DEMAND	TOTAL	1,00000000	0.51330676	0.01421401	0.06976594	0.10014290	0.01818459	0.02449867	0.20980299	0.00678820	0.02114416	0.02129839	0.00029376	0.00055863
ENER	PRODUCTION	1,753,385,398	739,113,438	26,020,573	114,568,899	205,825,490	37,208,288	58,835,381	491,760,533	9,542,024	27,480,752	28,574,246	5,123,452	9,312,322
PROD_ENERGY	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
PROD_ENERGY	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
PROD_ENERGY	DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-
PROD_ENERGY	DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-
PROD_ENERGY	ENERGY	1,00000000	0.42153988	0.01484036	0.06534228	0.11738882	0.02122107	0.03355569	0.28046866	0.00544212	0.01567315	0.01629680	0.00292207	0.00531111
PROD_ENERGY	CUSTOMER	-	-	-	-	-	-	-	-	-	-	-	-	-
PROD_ENERGY	TOTAL	1,00000000	0.42153988	0.01484036	0.06534228	0.11738882	0.02122107	0.03355569	0.28046866	0.00544212	0.01567315	0.01629680	0.00292207	0.00531111
CPT	Same as CPG	282,426	144,971	4,014	19,704	28,283	5,136	6,919	59,254	1,917	5,972	6,015	83	158
BULK_TRANS	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-
BULK_TRANS	BULKTRAN	1,00000000	0.51330676	0.01421401	0.06976594	0.10014290	0.01818459	0.02449867	0.20980299	0.00678820	0.02114416	0.02129839	0.00029376	0.00055863
BULK_TRANS	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
BULK_TRANS	DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-
BULK_TRANS	DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-
BULK_TRANS	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-
BULK_TRANS	CUSTOMER	-	-	-	-	-	-	-	-	-	-	-	-	-
BULK_TRANS	TOTAL	1,00000000	0.51330676	0.01421401	0.06976594	0.10014290	0.01818459	0.02449867	0.20980299	0.00678820	0.02114416	0.02129839	0.00029376	0.00055863
CPD	PRODUCTION	225,872	155,158	3,573	17,182	26,273	4,791	6,461	-	1,907	4,343	5,523	218	443
DIST_CPD	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_CPD	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_CPD	DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_CPD	DISTSEC	1,00000000	0.68692718	0.01581949	0.07607158	0.11631882	0.02121097	0.02860335	-	0.00844276	0.01922630	0.02445215	0.00096628	0.00196112
DIST_CPD	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_CPD	CUSTOMER	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_CPD	TOTAL	1,00000000	0.68692718	0.01581949	0.07607158	0.11631882	0.02121097	0.02860335	-	0.00844276	0.01922630	0.02445215	0.00096628	0.00196112
NCP	Sec. Only	314,051	223,645	5,368	23,720	32,752	-	-	-	3,351	10,512	7,624	4,743	2,336
CALC1	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-
CALC1	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
CALC1	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
CALC1	DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-
CALC1	DISTSEC	1,00000000	0.71212956	0.01709277	0.07552913	0.10428879	-	-	-	0.01087024	0.03347227	0.02427631	0.01510264	0.00743828

KINGSPORT POWER COMPANY  
 CLASS COST-OF-SERVICE STUDY - ALLOCATION INPUT  
 TWELVE MONTHS ENDING JUNE 30, 2021

KgPCo Exhibit No. 3c  
 Witness: MHW  
 Page 2 of 27

ALLOCATOR	FUNCTION	Total	RS	SGS	MGS-SEC	LGS-SEC	LGS-PRI	IP-PRI	IP-TRA	CS	PS	EHG	OL	SL
<u>INPUTS FROM WORKPAPERS</u>														
CALC1	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-
CALC1	CUSTOMER	-	-	-	-	-	-	-	-	-	-	-	-	-
CALC1	TOTAL	1.00000000	0.71212956	0.01709277	0.07552913	0.10428879	-	-	-	0.01067024	0.03347227	0.02427631	0.01510264	0.00743828

ALLOCATOR	FUNCTION	Total	RS	SGS	MGS-SEC	LGS-SEC	LGS-PRI	IP-PRI	IP-TRA	CS	PS	EHG	OL	SL
INPUTS FROM WORKPAPERS														
SNCP	Sec. Only	605,525	461,137	15,474	41,373	50,223	-	-	-	6,824	11,882	14,999	1,478	2,336
CALC2	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-
CALC2	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
CALC2	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
CALC2	DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-
CALC2	DISTSEC	1,000,000,000	0.76155028	0.02555449	0.06832593	0.06294152	-	-	-	0.01093965	0.01962198	0.02476958	0.00243834	0.00385823
CALC2	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-
CALC2	CUSTOMER	-	-	-	-	-	-	-	-	-	-	-	-	-
CALC2	TOTAL	1,000,000,000	0.76155028	0.02555449	0.06832593	0.06294152	-	-	-	0.01093965	0.01962198	0.02476958	0.00243834	0.00385823
SECDEM	(CALC1 + CALC2 ) / 2	459,788	342,391	10,421	32,547	41,488	-	-	-	4,988	11,197	11,311	3,110	2,336
DISTSEC	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-
DISTSEC	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
DISTSEC	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
DISTSEC	DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-
DISTSEC	DISTSEC	1,000,000,000	0.74467225	0.02268466	0.07078595	0.09023198	-	-	-	0.01084764	0.02435209	0.02460112	0.00676342	0.00508088
DISTSEC	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-
DISTSEC	CUSTOMER	-	-	-	-	-	-	-	-	-	-	-	-	-
DISTSEC	TOTAL	1,000,000,000	0.74467225	0.02268466	0.07078595	0.09023198	-	-	-	0.01084764	0.02435209	0.02460112	0.00676342	0.00508088
TOTCUST	CUST_TOTAL	52,304	42,346	3,930	1,281	187	17	2	4	193	31	618	3,693	4
CUST_TOTAL	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-
CUST_TOTAL	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
CUST_TOTAL	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
CUST_TOTAL	DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-
CUST_TOTAL	DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-
CUST_TOTAL	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-
CUST_TOTAL	CUSTOMER	1,000,000,000	0.80960196	0.07512937	0.02448645	0.00357524	0.00032502	0.00003824	0.00007848	0.00366995	0.00059269	0.01180750	0.07060063	0.00007648
CUST_TOTAL	TOTAL	1,000,000,000	0.80960196	0.07512937	0.02448645	0.00357524	0.00032502	0.00003824	0.00007848	0.00366995	0.00059269	0.01180750	0.07060063	0.00007648
PRICUST	TOTCust excl Sub&Tran	52,300	42,346	3,930	1,281	187	17	2	-	193	31	618	3,693	4
DIST_PCUST	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_PCUST	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_PCUST	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_PCUST	DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_PCUST	DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_PCUST	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_PCUST	CUSTOMER	1,000,000,000	0.80966388	0.07513512	0.02448632	0.00357551	0.00032505	0.00003824	-	0.00369023	0.00059273	0.01180841	0.07060603	0.00007648
DIST_PCUST	TOTAL	1,000,000,000	0.80966388	0.07513512	0.02448632	0.00357551	0.00032505	0.00003824	-	0.00369023	0.00059273	0.01180841	0.07060603	0.00007648
SECUCST	TOTCust excl Pri,Sub&Tran	52,281	42,346	3,930	1,281	187	-	-	-	193	31	618	3,693	4
DIST_SERV	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_SERV	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_SERV	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_SERV	DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_SERV	DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-

KINGSPORT POWER COMPANY  
CLASS COST-OF-SERVICE STUDY - ALLOCATION INPUT  
TWELVE MONTHS ENDING JUNE 30, 2021

KgPCo Exhibit No. 3c  
Witness: MHW  
Page 4 of 27

ALLOCATOR	FUNCTION	Total	RS	SGS	MGS-SEC	LGS-SEC	LGS-PRI	IP-PRI	IP-TRA	CS	PS	EHG	OL	SL
<b>INPUTS FROM WORKPAPERS</b>														
DIST_SERV	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_SERV	CUSTOMER	1,000,000,000	0.80985812	0.07516242	0.02449722	0.00357681	-	-	-	0.00369158	0.00059295	0.01181270	0.07063169	0.00007651
DIST_SERV	TOTAL	1,000,000,000	0.80985812	0.07516242	0.02449722	0.00357681	-	-	-	0.00369158	0.00059295	0.01181270	0.07063169	0.00007651

**KINGSPORT POWER COMPANY**  
**CLASS COST-OF-SERVICE STUDY - ALLOCATION INPUT**  
**TWELVE MONTHS ENDING JUNE 30, 2021**

KgPCo Exhibit No. 3c  
 Witness: MHW  
 Page 5 of 27

ALLOCATOR	FUNCTION	Total	RS	SGS	MGS-SEC	LGS-SEC	LGS-PRI	IP-PRI	IP-TRA	CS	PS	EHG	OL	SL
<b>INPUTS FROM WORKPAPERS</b>														
METER		8,837,735	5,427,388	843,931	1,321,796	327,807	129,289	23,081	186,313	112,747	125,822	339,560	-	-
DIST_METERS	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_METERS	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_METERS	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_METERS	DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_METERS	DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_METERS	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_METERS	CUSTOMER	1,000,000,000	0.61411530	0.09549178	0.14956272	0.03709178	0.01462917	0.00261170	0.02108152	0.01275748	0.01423693	0.03842162	-	-
DIST_METERS	TOTAL	1,000,000,000	0.61411530	0.09549178	0.14956272	0.03709178	0.01462917	0.00261170	0.02108152	0.01275748	0.01423693	0.03842162	-	-
DIR371		1	-	-	-	-	-	-	-	-	-	-	1	-
DIST_OL	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_OL	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_OL	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_OL	DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_OL	DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_OL	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_OL	CUSTOMER	1,000,000,000	-	-	-	-	-	-	-	-	-	-	1,000,000,000	-
DIST_OL	TOTAL	1,000,000,000	-	-	-	-	-	-	-	-	-	-	1,000,000,000	-
DIR373		1	-	-	-	-	-	-	-	-	-	-	-	1
DIST_SL	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_SL	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_SL	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_SL	DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_SL	DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_SL	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_SL	CUSTOMER	1,000,000,000	-	-	-	-	-	-	-	-	-	-	-	-
DIST_SL	TOTAL	1,000,000,000	-	-	-	-	-	-	-	-	-	-	-	-
DIR902		52,304	42,346	3,930	1,281	187	17	2	4	193	31	618	3,693	4
CUST_902	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-
CUST_902	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
CUST_902	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
CUST_902	DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-
CUST_902	DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-
CUST_902	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-
CUST_902	CUSTOMER	1,000,000,000	0.80960196	0.07512937	0.02448645	0.00357524	0.00032502	0.0003824	0.00007648	0.00368995	0.00059289	0.01180750	0.07060063	0.00007648
CUST_902	TOTAL	1,000,000,000	0.80960196	0.07512937	0.02448645	0.00357524	0.00032502	0.0003824	0.00007648	0.00368995	0.00059289	0.01180750	0.07060063	0.00007648
CALL CENTER		557,935	478,462	31,361	10,222	1,490	135	18	29	1,543	247	4,928	29,471	29
CALL CENTER	CUSTOMER	1,000,000,000	0.85755746	0.05620871	0.01832113	0.00267007	0.00024273	0.00003166	0.00005277	0.00278505	0.00044325	0.00863340	0.05282099	0.00005277
BILLING		56,239	45,531	4,225	1,377	201	18	2	4	208	33	664	3,971	4
BILLING	CUSTOMER	1,000,000,000	0.80960200	0.07512931	0.02448644	0.00357526	0.00032504	0.00003823	0.00007646	0.00368995	0.00059285	0.01180758	0.07060063	0.00007646
BILLING OTHER		217,046	175,721	16,307	5,315	776	71	8	17	801	129	2,563	15,324	17

ALLOCATOR	FUNCTION	Total	RS	SGS	MGS-SEC	LGS-SEC	LGS-PRI	IP-PRI	IP-TRA	CS	PS	EHG	OL	SL
<b>INPUTS FROM WORKPAPERS</b>														
BILLING OTHER	CUSTOMER	1.00000000	0.80960195	0.07512938	0.02448647	0.00357523	0.00032500	0.00003824	0.00007648	0.00389866	0.00059269	0.01180750	0.07060062	0.00007648
OTHER	OTHER	397.461	321.786	29.861	9.732	1.421	129	15	30	1,467	238	28.061	28.061	30
OTHER	CUSTOMER	1.00000000	0.80960193	0.07512939	0.02448645	0.00357524	0.00032501	0.00003824	0.00007649	0.00389894	0.00059268	0.01180751	0.07060062	0.00007649

ALLOCATOR	FUNCTION												
	Total	RS	SGS	MGS-SEC	LGS-SEC	LGS-PRI	IP-PRI	IP-TRA	CS	PS	EHG	OL	SL
INPUTS FROM WORKPAPERS													
DIR903													
CUST_903	-	-	-	-	-	-	-	-	-	-	-	-	-
BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-
DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-
ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-
CUSTOMER	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	1,000,000,000	0.83137821	0.06653763	0.02168883	0.00316421	0.00028785	0.00003525	0.00008571	0.00326996	0.00052483	0.01045699	0.06252701	0.00006571
	1,000,000,000	0.83137821	0.06653763	0.02168883	0.00316421	0.00028785	0.00003525	0.00008571	0.00326996	0.00052483	0.01045699	0.06252701	0.00006571
DIR904 Uncollectibles													
CUST_904	52,304	42,346	3,930	1,281	187	17	2	4	193	31	618	3,693	4
BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-
DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-
ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-
CUSTOMER	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	1,000,000,000	0.80960196	0.07512937	0.02448645	0.00357524	0.00032502	0.00003824	0.00007648	0.00368995	0.00059269	0.01180750	0.07060063	0.00007648
	1,000,000,000	0.80960196	0.07512937	0.02448645	0.00357524	0.00032502	0.00003824	0.00007648	0.00368995	0.00059269	0.01180750	0.07060063	0.00007648
CUSTDEP													
CUSTDEP	4,153,829	2,593,119	169,214	662,821	377,454	189,830	-	-	22,872	-	159,992	8,526	-
CUST_DEP	1,000,000,000	0.61704976	0.04073692	0.15956871	0.09086900	0.04570001	-	-	0.00550629	-	0.03851686	0.00205246	-
CUST_DEP	-	-	-	-	-	-	-	-	-	-	-	-	-
CUST_DEP	-	-	-	-	-	-	-	-	-	-	-	-	-
CUST_DEP	0.52605288	0.30139565	0.01245948	0.08728884	0.05797770	0.04395978	-	-	-	-	0.02039056	0.00004268	-
CUST_DEP	0.34602444	0.22840228	0.01247960	0.05676647	0.03143986	-	-	-	0.00285817	-	0.01434089	0.00020886	-
CUST_DEP	-	-	-	-	-	-	-	-	0.00238750	-	-	-	-
CUST_DEP	0.12792288	0.08725183	0.01579885	0.01553390	0.00145144	0.00184023	-	-	0.00046062	-	0.00378540	0.00180092	-
CUST_DEP	1,000,000,000	0.61704978	0.04073692	0.15956871	0.09086900	0.04570001	-	-	0.00550629	-	0.03851686	0.00205246	-



KINGSPORT POWER COMPANY  
 CLASS COST-OF-SERVICE STUDY - ALLOCATION INPUT  
 TWELVE MONTHS ENDING JUNE 30, 2021

KgPCo Exhibit No. 3c  
 Witness: MHW  
 Page 9 of 27

ALLOCATOR	FUNCTION	Total	RS	SGS	MGS-SEC	LGS-SEC	LGS-PRI	IP-PRI	IP-TRA	CS	PS	EHG	OL	SL
<u>INPUTS FROM WORKPAPERS</u>														
DIST_JUGLINES	TOTAL	1.00000000	0.71511196	0.01916055	0.07349172	0.10358610	0.01085811	0.01464234	-	0.00961656	0.02172815	0.02452486	0.00379580	0.00348384

## INPUTS FROM WORKPAPERS

KINGSPORT POWER COMPANY  
 CLASS COST-OF-SERVICE STUDY - ALLOCATION INPUT  
 TWELVE MONTHS ENDING JUNE 30, 2021

KgPCo Exhibit No. 3c  
 Witness: MH-W  
 Page 11 of 27

ALLOCATOR	FUNCTION	Total	RS	SGS	MGS-SEC	LGS-SEC	LGS-PRI	IP-PRI	IP-TRA	CS	PS	EHG	OL	SL
-----------	----------	-------	----	-----	---------	---------	---------	--------	--------	----	----	-----	----	----

INPUTS FROM WORKPAPERS

## INPUTS FROM WORKPAPERS

**KgPCo Exhibit No. 3c**  
**Witness: MHW**  
**Page 13 of 27**

[illegible]



KINGSPORT POWER COMPANY  
CLASS COST-OF-SERVICE STUDY - ALLOCATION INPUT  
TWELVE MONTHS ENDING JUNE 30, 2021

KgPCo Exhibit No. 3c  
Witness: Mt-W  
Page 15 of 27

ALLOCATOR	FUNCTION	Total	RS	SGS	MGS-SEC	LGS-SEC	LGS-PRI	IP-PRI	IP-TRA	CS	PS	EHG	OL	SL
<u>INPUTS FROM WORKPAPERS</u>														
RB_GUP-Land_G	DISTSEC	0.28727564	0.21392819	0.00651101	0.02033508	0.02592145	-	-	-	0.00311626	0.00699578	0.00708730	0.00194297	0.00145961
RB_GUP-Land_G	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-
RB_GUP-Land_G	CUSTOMER	0.34477897	0.26077060	0.02200046	0.00895244	0.00187336	0.00032362	0.00006865	0.00067026	0.00120520	0.00039931	0.00382024	0.02116721	0.02370762
RB_GUP-Land_G	TOTAL	1.00000000	0.72744848	0.03433218	0.05727770	0.07039378	0.00812810	0.01061312	0.00067026	0.00742794	0.01446930	0.01988460	0.02346571	0.02586862

## INPUTS FROM WORKPAPERS

ALLOCATOR	FUNCTION	Total	RS	SGS	MGS-SEC	LGS-SEC	LGS-PRI	JP-PRI	JP-TRA	CS	PS	EHG	OL	SL
<b>INPUTS FROM WORKPAPERS</b>														
NP	DISTPRI	0.48812391	0.33530558	0.00772187	0.03713236	0.05677800	0.01035358	0.01396198	-	0.00412111	0.00938482	0.01193588	0.00047168	0.00085727
NP	DISTSEC	0.34005909	0.25323257	0.00770792	0.02407141	0.03068421	-	-	-	0.00368884	0.00828115	0.00636583	0.00229896	0.00172780
NP	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-
NP	CUSTOMER	0.17181700	0.06980158	0.00922516	0.00645568	0.00139809	0.00043455	0.00008013	0.00064306	0.00068829	0.00046731	0.00213252	0.01866114	0.04082950
NP	TOTAL	1.00000000	0.67833873	0.02466436	0.06755944	0.0886029	0.01078814	0.01404211	0.00064306	0.00948924	0.01813328	0.02243403	0.02243276	0.04351457

**KINGSPORT POWER COMPANY**  
**CLASS COST-OF-SERVICE STUDY - ALLOCATION INPUT**  
**TWELVE MONTHS ENDING JUNE 30, 2021**

KgPco Exhibit No. 3c  
 Witness: MHW  
 Page 18 of 27

ALLOCATOR	FUNCTION	Total	RS	SGS	MGS-SEC	LGS-SEC	LGS-PRI	IP-PRI	IP-TRA	CS	PS	EHG	OL	SL
<b>INPUTS FROM WORKPAPERS</b>														
<b>Rate Base</b>														
	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-
	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
	DISTPRI	70,942,329	48,988,273	1,104,603	5,194,923	8,285,644	1,365,113	2,093,442	-	606,564	1,407,148	1,702,549	70,539	143,532
	DISTSEC	49,685,041	37,124,071	1,106,298	3,379,191	4,482,252	-	-	-	544,799	1,245,917	1,197,420	345,142	259,951
	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-
	CUSTOMER	26,430,559	14,181,746	1,400,657	924,683	206,925	57,276	12,174	97,467	105,107	70,333	316,070	2,976,092	6,082,029
	TOTAL	147,057,928	100,294,090	3,611,558	9,498,798	12,954,821	1,422,389	2,105,615	97,467	1,256,469	2,723,399	3,216,038	3,391,773	6,485,512
	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-
	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
	DISTPRI	0.48241077	0.33312229	0.00751135	0.03532569	0.05620672	0.00928282	0.01423549	-	0.00412468	0.00956866	0.01157740	0.00047987	0.00097802
	DISTSEC	0.33786033	0.25244522	0.00752287	0.02297864	0.03047650	-	-	-	0.00370465	0.00847229	0.00814250	0.00234698	0.00176768
	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-
	CUSTOMER	0.17972889	0.09643646	0.00952452	0.00628789	0.00140710	0.00038948	0.00008278	0.00066278	0.00071473	0.00047827	0.00214929	0.02023755	0.04135805
	TOTAL	1.00000000	0.86200396	0.02455874	0.06459222	0.08809332	0.00967230	0.01431827	0.00066278	0.00854404	0.01851922	0.02186919	0.02306420	0.04410175
	CUST_TOTAL	1.00000000	0.80960196	0.07512937	0.02448645	0.00357524	0.00032502	0.00003824	0.00007648	0.00368995	0.00059269	0.01180750	0.07060063	0.00007648
	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-
	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
	DISTPRI	0.49894480	0.34273874	0.00789305	0.03795552	0.05803687	0.01056310	0.01427149	-	0.00421247	0.00959286	0.01220027	0.00048212	0.00097849
	DISTSEC	0.34481171	0.25677171	0.00781504	0.02440783	0.03111305	-	-	-	0.00374039	0.00839689	0.00848275	0.00233211	0.00175185
	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-
	CUSTOMER	0.15624349	0.07440751	0.00807487	0.00623087	0.00137330	0.00044454	0.00007936	0.00064061	0.00064174	0.00047343	0.00198055	0.01852553	0.04237115
	TOTAL	1.00000000	0.67391797	0.02378297	0.06859421	0.09052301	0.01102765	0.01435086	0.00064061	0.00859461	0.01846318	0.02266358	0.02233978	0.04510159
	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-
	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
	DISTPRI	0.46286757	0.41174441	0.02463382	0.01354919	0.00228218	0.00031192	0.00003803	-	-	-	-	-	-
	DISTSEC	0.35676633	0.30846912	0.02468738	0.00871300	0.00122882	-	-	-	0.00180855	0.00030794	0.00635622	0.00152365	0.00000166
	ENERGY	-	-	-	-	-	-	-	-	0.00160588	0.00029955	0.00441943	0.00737019	0.00000297
	CUSTOMER	0.18036810	0.08938843	0.02550818	0.00224247	0.00005424	0.00001310	0.00000021	0.00007648	0.00027552	0.00001520	0.00103185	0.06170679	0.00007185
	TOTAL	1.00000000	0.80960196	0.07512937	0.02448645	0.00357524	0.00032502	0.00003824	0.00007648	0.00368995	0.00059269	0.01180750	0.07060063	0.00007648

**KINGSPORT POWER COMPANY**  
**CLASS COST-OF-SERVICE STUDY - ALLOCATION INPUT**  
**TWELVE MONTHS ENDING JUNE 30, 2021**

KgPCo Exhibit No. 3c  
 Witness: MH-W  
 Page 19 of 27

ALLOCATOR	FUNCTION	Total	RS	SGS	MGS-SEC	LGS-SEC	LGS-PRI	IP-PRI	IP-TRA	CS	PS	EHG	OL	SL
<b>INPUTS FROM WORKPAPERS</b>														
362 Station Equipment	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-
	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
	DISTPRI	37,461,653	25,733,427	592,624	2,849,767	4,357,495	794,598	1,071,529	-	316,280	720,249	916,018	36,198	73,467
	DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-
	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-
	CUSTOMER	-	-	-	-	-	-	-	-	-	-	-	-	-
362 STATIONS	TOTAL	37,461,653	25,733,427	592,624	2,849,767	4,357,495	794,598	1,071,529	-	316,280	720,249	916,018	36,198	73,467
	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-
	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
	DISTPRI	1,000,000	886,927.18	0.01581949	0.07607158	0.11631882	0.02121097	0.02860335	-	0.00844276	0.01922630	0.02445215	0.00066628	0.00196112
	DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-
	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-
362 STATIONS	TOTAL	1,000,000	886,927.18	0.01581949	0.07607158	0.11631882	0.02121097	0.02860335	-	0.00844276	0.01922630	0.02445215	0.00066628	0.00196112
	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-
	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
	DISTPRI	17,091,489	11,740,608	270,379	1,300,176	1,986,062	362,527	488,874	-	144,299	328,606	417,924	16,515	33,518
	DISTSEC	15,015,447	11,181,587	340,320	1,082,883	1,354,874	-	-	-	162,862	385,658	369,397	101,556	76,292
	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-
365 Overhead Lines	CUSTOMER	-	-	-	-	-	-	-	-	-	-	-	-	-
	TOTAL	32,106,935	22,922,195	610,699	2,383,059	3,342,935	362,527	488,874	-	307,161	694,264	787,320	118,071	109,810
	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-
	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
	DISTPRI	26,799,773	18,409,493	423,959	2,038,701	3,117,318	568,449	766,563	-	226,264	515,261	655,312	25,898	52,558
	DISTSEC	22,111,611	16,465,903	501,152	1,565,191	1,995,175	-	-	-	239,659	539,464	543,970	149,550	112,346
TOTOHLINES	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-
	CUSTOMER	-	-	-	-	-	-	-	-	-	-	-	-	-
	TOTAL	48,911,384	34,875,395	925,111	3,603,892	5,112,492	568,449	766,563	-	466,123	1,053,725	1,199,283	175,446	164,904
	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-
	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
	DISTPRI	0.54174690	0.37213929	0.00857013	0.04121139	0.06301512	0.01149094	0.01546572	-	0.00457382	0.01041575	0.01324683	0.00052348	0.00106243
TOTOHLINES	DISTSEC	0.45825510	0.34124986	0.01038620	0.03243802	0.04134927	-	-	-	0.00497099	0.01115947	0.01127359	0.00309937	0.00232834
	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-
	CUSTOMER	-	-	-	-	-	-	-	-	-	-	-	-	-
	TOTAL	1,000,000	0.71338915	0.01895633	0.07364941	0.10435439	0.01149094	0.01546572	-	0.00954481	0.02157522	0.02452042	0.00362285	0.00339077

**KINGSPORT POWER COMPANY**  
**CLASS COST-OF-SERVICE STUDY - ALLOCATION INPUT**  
**TWELVE MONTHS ENDING JUNE 30, 2021**

KgPco Exhibit No. 3c  
 Witness: MHW  
 Page 20 of 27

ALLOCATOR	FUNCTION	Total	RS	SGS	MGS-SEC	LGS-SEC	LGS-PRI	IP-PRI	IP-TRA	CS	PS	EHG	OL	SL
<b>INPUTS FROM WORKPAPERS</b>														
366 Underground Conduit	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-
	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
	DISTPRI	6,225,520	4,276,479	98,485	473,585	724,145	132,049	178,071	-	52,561	119,694	152,227	6,016	12,209
	DISTSEC	5,935,833	4,420,250	134,534	420,174	535,602	-	-	-	64,390	144,550	146,028	40,147	30,159
367 Underground Lines	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-
	CUSTOMER	-	-	-	-	-	-	-	-	-	-	-	-	-
	TOTAL	12,161,353	8,696,729	233,018	893,759	1,259,747	132,049	178,071	-	116,950	264,244	298,256	46,162	42,368
	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-
	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTUGLINES	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
	DISTPRI	5,492,804	3,773,156	86,893	417,846	638,916	116,508	157,113	-	46,374	105,606	134,311	5,308	10,772
	DISTSEC	5,237,212	3,900,006	118,700	370,721	472,564	-	-	-	56,611	127,537	128,841	35,421	26,610
	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-
	CUSTOMER	-	-	-	-	-	-	-	-	-	-	-	-	-
368 Line Transformers	TOTAL	10,730,016	7,673,163	205,593	788,567	1,111,480	116,508	157,113	-	103,186	233,143	263,152	40,729	37,382
	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-
	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
	DISTPRI	0.5191015	0.35164499	0.00809816	0.03994181	0.05954478	0.01085811	0.01464234	-	0.00432193	0.00984214	0.01251731	0.00049465	0.00100392
368 TRANSFORMERS	DISTSEC	0.48808985	0.36346697	0.01106239	0.03454990	0.04404132	-	-	-	0.00529462	0.01188601	0.01200756	0.00330116	0.00247993
	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-
	CUSTOMER	-	-	-	-	-	-	-	-	-	-	-	-	-
	TOTAL	1.00000000	0.71511198	0.01916055	0.07349172	0.10358610	0.01085811	0.01464234	-	0.00961656	0.02172815	0.02452486	0.00379580	0.00348384
368 TRANSFORMERS	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-
	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
	DISTPRI	4,207,716	2,890,394	66,594	320,088	489,437	89,250	120,355	-	35,525	80,899	102,888	4,066	8,252
	DISTSEC	26,497,757	19,732,144	600,563	1,875,669	2,390,945	-	-	-	287,438	645,276	651,874	179,215	134,632
368 TRANSFORMERS	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-
	CUSTOMER	-	-	-	-	-	-	-	-	-	-	-	-	-
	TOTAL	30,705,473	22,622,539	667,127	2,195,757	2,880,382	89,250	120,355	-	322,963	726,175	754,762	183,281	142,884
	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-
	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
368 TRANSFORMERS	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
	DISTPRI	0.13703472	0.09413287	0.00216782	0.01042445	0.01593972	0.00290664	0.00391965	-	0.00115695	0.00263467	0.00333079	0.00013241	0.00026874
	DISTSEC	0.86296528	0.64262629	0.01955882	0.06108582	0.07786707	-	-	-	0.00936114	0.02101501	0.02122991	0.00583660	0.00438462
	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-
	CUSTOMER	-	-	-	-	-	-	-	-	-	-	-	-	-
368 TRANSFORMERS	TOTAL	1.00000000	0.73575917	0.02172864	0.07151027	0.09380679	0.00290664	0.00391965	-	0.01051809	0.02364968	0.02458071	0.00596901	0.00465337



**KINGSPORT POWER COMPANY**  
**CLASS COST-OF-SERVICE STUDY - ALLOCATION INPUT**  
**TWELVE MONTHS ENDING JUNE 30, 2021**

KgPCo Exhibit No. 3c  
 Witness: MHW  
 Page 22 of 27

ALLOCATOR	FUNCTION		Total	RS	SGS	MGS-SEC	LGS-SEC	LGS-PRI	IP-PRI	IP-TRA	CS	PS	EHG	OL	SL	
INPUTS FROM WORKPAPERS																
Acct 591-598	PRODUCTION		-	-	-	-	-	-	-	-	-	-	-	-	-	
	BULKTRAN		-	-	-	-	-	-	-	-	-	-	-	-	-	
	SUBTRAN		-	-	-	-	-	-	-	-	-	-	-	-	-	
	DISTPRI	3,327,925	2,286,042	52,646	253,160	387,100	70,589	95,190	-	-	28,097	63,984	81,375	3,216	6,526	
	DISTSEC	2,769,444	2,062,328	62,769	196,038	249,892	-	-	-	-	30,042	67,442	68,131	18,731	14,071	
	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	CUSTOMER	100,129	26,943	3,356	3,728	883	325	58	-	469	344	326	1,048	4,654	57,993	
	TOTAL	6,197,498	4,375,314	118,771	452,926	637,876	70,914	95,248	-	469	58,483	131,752	150,555	26,601	78,591	
	PRODUCTION		-	-	-	-	-	-	-	-	-	-	-	-	-	-
	BULKTRAN		-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTMEXP	SUBTRAN		-	-	-	-	-	-	-	-	-	-	-	-	-	
	DISTPRI	0.53697876	0.36886530	0.00849473	0.04084882	0.06246073	0.01138984	0.01535939	-	-	0.00453358	0.01032412	0.01313029	0.00051887	0.00105308	
	DISTSEC	0.44686486	0.33276786	0.01012804	0.03163175	0.04032150	-	-	-	-	0.00484743	0.01088209	0.01098338	0.00302233	0.00227047	
	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	CUSTOMER	0.01615638	0.00434744	0.00054158	0.00060147	0.00014255	0.00005249	0.00000937	0.00007584	0.00007584	0.00005555	0.00005265	0.00016912	0.00075098	0.00935757	
	TOTAL	1.00000000	0.70598060	0.01916435	0.07308205	0.10292479	0.01144233	0.01536876	0.00007564	0.00007564	0.00943656	0.02125686	0.02429279	0.00429216	0.01268111	
	PRODUCTION		-	-	-	-	-	-	-	-	-	-	-	-	-	
	BULKTRAN		-	-	-	-	-	-	-	-	-	-	-	-	-	
	SUBTRAN		-	-	-	-	-	-	-	-	-	-	-	-	-	
	DISTPRI	4,154,012	2,853,504	65,714	316,002	483,190	88,111	118,819	-	-	35,071	79,866	101,575	4,014	8,147	
EXP_OM_DIST	DISTSEC	3,243,270	2,415,173	73,508	229,578	292,647	-	-	-	-	35,182	78,980	79,788	21,936	16,479	
	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	CUSTOMER	600,261	222,069	26,745	27,595	6,461	2,351	419	-	3,360	2,599	2,360	7,935	30,945	267,423	
	TOTAL	7,997,543	5,490,745	165,967	573,175	782,297	90,462	119,237	-	3,360	72,853	161,207	189,298	56,895	292,048	
	PRODUCTION		-	-	-	-	-	-	-	-	-	-	-	-	-	
	BULKTRAN		-	-	-	-	-	-	-	-	-	-	-	-	-	
	SUBTRAN		-	-	-	-	-	-	-	-	-	-	-	-	-	
	DISTPRI	0.51941099	0.35679752	0.00821682	0.03951241	0.06041727	0.01101721	0.01485689	-	-	0.00438528	0.00988635	0.01270072	0.00050190	0.00101863	
	DISTSEC	0.40553333	0.30198942	0.00919128	0.02870606	0.03659208	-	-	-	-	0.00439908	0.00987559	0.00997657	0.00274279	0.00206047	
	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
CUSTOMER	0.07505568	0.02776710	0.00334410	0.00345043	0.00080781	0.00029395	0.00005233	0.00042016	0.00042016	0.00032503	0.00029511	0.00099221	0.00386931	0.0343814		
TOTAL	1.00000000	0.68655405	0.02075219	0.07166890	0.09781716	0.01131117	0.01480923	0.00042016	0.00042016	0.00910937	0.02015705	0.02366950	0.00711400	0.03851723		

**KINGSPORT POWER COMPANY**  
**CLASS COST-OF-SERVICE STUDY - ALLOCATION INPUT**  
**TWELVE MONTHS ENDING JUNE 30, 2021**

KgPco Exhibit No. 3c  
Witness: MH-W  
Page 23 of 27

ALLOCATOR	FUNCTION	Total	RS	SGS	MGS-SEC	LGS-SEC	LGS-PRI	JP-PRI	IP-TRA	CS	PS	EHG	OL	SL
<b>INPUTS FROM WORKPAPERS</b>														
Acct 902-904	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-
	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
	DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-
	DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-
	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-
	CUSTOMER	1,282,194	1,064,826	85,773	27,956	4,079	371	45	85	4,215	677	13,480	80,603	85
	TOTAL	1,282,194	1,064,826	85,773	27,956	4,079	371	45	85	4,215	677	13,480	80,603	85
	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-
	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTOX234	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
	DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-
	DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-
	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-
	CUSTOMER	1,000,000	830,471	0,068,954	0,021,803	0,003,181	0,000,289	0,000,035	0,000,066	0,003,287	0,000,527	0,01051323	0,06286323	0,00006616
	TOTAL	1,000,000	830,471	0,068,954	0,021,803	0,003,181	0,000,289	0,000,035	0,000,066	0,003,287	0,000,527	0,01051323	0,06286323	0,00006616
	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-
	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
	DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-
Acct 901-905	DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-
	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-
	CUSTOMER	1,313,158	1,090,540	87,844	28,631	4,178	380	46	87	4,317	693	13,808	82,549	87
	TOTAL	1,313,158	1,090,540	87,844	28,631	4,178	380	46	87	4,317	693	13,808	82,549	87
	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-
	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
	DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-
	DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-
	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-
EXP_OM_CUSTACCT	CUSTOMER	1,000,000	830,471	0,068,954	0,021,803	0,003,181	0,000,289	0,000,035	0,000,066	0,003,287	0,000,527	0,01051323	0,06286323	0,00006616
	TOTAL	1,000,000	830,471	0,068,954	0,021,803	0,003,181	0,000,289	0,000,035	0,000,066	0,003,287	0,000,527	0,01051323	0,06286323	0,00006616
	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-
	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
	DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-
	DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-
	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-
	CUSTOMER	1,000,000	830,471	0,068,954	0,021,803	0,003,181	0,000,289	0,000,035	0,000,066	0,003,287	0,000,527	0,01051323	0,06286323	0,00006616
	TOTAL	1,000,000	830,471	0,068,954	0,021,803	0,003,181	0,000,289	0,000,035	0,000,066	0,003,287	0,000,527	0,01051323	0,06286323	0,00006616



**KINGSPORT POWER COMPANY**  
**CLASS COST-OF-SERVICE STUDY - ALLOCATION INPUT**  
**TWELVE MONTHS ENDING JUNE 30, 2021**

KgP Co Exhibit No. 3c  
 Witness: MHW  
 Page 25 of 27

ALLOCATOR	FUNCTION	Total	RS	SGS	MGS-SEC	LGS-SEC	LGS-PRI	IP-PRI	IP-TRA	CS	PS	EHG	OL	SL
<b>INPUTS FROM WORKPAPERS</b>														
<b>O&amp;M Expense</b>	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-
	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
	DISTPRI	4,903,188	3,291,043	81,612	393,601	606,053	118,375	140,859	-	42,496	92,095	122,557	4,800	9,697
	DISTSEC	3,768,564	2,777,865	90,377	283,013	363,043	-	-	-	42,304	90,826	95,573	26,065	19,499
	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-
	CUSTOMER	2,851,194	1,978,244	180,643	84,366	16,490	4,237	822	36,227	10,430	4,082	32,782	179,173	323,697
	TOTAL	11,542,946	8,047,151	352,632	760,980	985,585	122,612	141,682	36,227	95,230	187,003	250,913	210,038	352,894
	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-
	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>EXP_OM</b>	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
	DISTPRI	0.42477790	0.28511289	0.00707029	0.03409886	0.05250415	0.01025516	0.01220307	-	0.00368154	0.00797849	0.01061750	0.00041585	0.00084009
	DISTSEC	0.32821460	0.24065473	0.00782981	0.02451822	0.03145147	-	-	-	0.00366489	0.00786851	0.00827981	0.00225808	0.00168928
	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-
	CUSTOMER	0.24700750	0.17138119	0.01564965	0.00730885	0.00142857	0.00036710	0.00007123	0.00313847	0.00090360	0.00035366	0.00284003	0.01552230	0.02804286
	TOTAL	1.00000000	0.69714882	0.03054955	0.06592593	0.08538419	0.01062226	0.01227430	0.00313847	0.00825002	0.01620067	0.02173733	0.01819623	0.03057223
<b>O&amp;M Labor</b>	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-
	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
	DISTPRI	1,067,478	733,280	16,887	81,205	124,168	22,642	30,533	-	9,012	20,524	26,102	1,031	2,093
	DISTSEC	833,440	620,640	18,890	58,996	75,203	-	-	-	9,041	20,296	20,504	5,837	4,235
	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-
	CUSTOMER	1,000,268	756,544	63,827	25,973	4,855	939	257	1,945	3,497	1,158	11,083	61,410	68,780
	TOTAL	2,901,187	2,110,464	99,604	166,173	204,226	23,581	30,791	1,945	21,550	41,978	57,689	68,078	75,108
	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-
	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>LABOR_M</b>	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
	DISTPRI	0.36784540	0.25275169	0.00582071	0.02799019	0.04279897	0.00780448	0.01052447	-	0.00310847	0.00707423	0.00899706	0.00035554	0.00072159
	DISTSEC	0.28727564	0.21992619	0.00651101	0.02033508	0.02592145	-	-	-	0.00311626	0.00698576	0.00706730	0.00194297	0.00145961
	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-
	CUSTOMER	0.34477897	0.26077060	0.02200046	0.00895244	0.00167336	0.00032362	0.00008865	0.00067026	0.00120520	0.00039931	0.00382024	0.02116721	0.02370762
	TOTAL	1.00000000	0.72744848	0.03433218	0.05727770	0.07039376	0.00812810	0.01061312	0.00067026	0.00742794	0.01446930	0.01989460	0.02346571	0.02588982

**KINGSPORT POWER COMPANY**  
**CLASS COST-OF-SERVICE STUDY - ALLOCATION INPUT**  
**TWELVE MONTHS ENDING JUNE 30, 2021**

KgPCo Exhibit No. 3c  
 Witness: MHW  
 Page 26 of 27

ALLOCATOR	FUNCTION	Total	RS	SGS	MGS-SEC	LGS-SEC	LGS-PRI	IP-PRI	IP-TRA	CS	PS	EHG	OL	SL
<b>INPUTS FROM WORKPAPERS</b>														
<b>RBASE</b>	Going Level Revenue	22,606,637	7,103,266	1,240,343	3,443,913	4,853,118	1,009,620	343,054	1,556,741	306,442	186,233	758,770	656,872	1,148,264
Initial RSale		22,606,637	7,103,266	1,240,343	3,443,913	4,853,118	1,009,620	343,054	1,556,741	306,442	186,233	758,770	656,872	1,148,264
PROD O&M		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>RSale LESS PROD O&amp;M</b>		22,606,637	7,103,266	1,240,343	3,443,913	4,853,118	1,009,620	343,054	1,556,741	306,442	186,233	758,770	656,872	1,148,264
Initial Other Revenue		1,065,720	776,681	35,365	62,361	70,889	9,888	9,288	1,631	6,935	12,047	22,206	29,153	29,276
Initial Total Expense		24,890,594	13,639,426	958,909	2,473,511	3,346,332	590,237	338,791	708,613	254,891	334,499	657,854	579,093	1,008,437
<b>Net Operating Income</b>		(1,218,237)	(5,759,479)	316,800	1,032,763	1,577,675	429,271	13,551	849,759	58,486	(136,219)	123,122	106,932	169,103
<b>RATEBASE</b>	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-
RATEBASE	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
RATEBASE	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
RATEBASE	DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-
RATEBASE	DISTSEC	0.48241077	0.33312229	0.00751135	0.03532569	0.05620672	0.00928282	0.01423549	-	0.00412466	0.00956866	0.01157740	0.00047967	0.00097602
RATEBASE	ENERGY	0.33796033	0.25244522	0.00752287	0.02297864	0.03047950	-	-	-	0.00370465	0.00847229	0.00814250	0.00234698	0.00176768
RATEBASE	CUSTOMER	-	-	-	-	-	-	-	-	-	-	-	-	-
RATEBASE	TOTAL	0.17972889	0.09643646	0.00952452	0.00628789	0.01140710	0.00038948	0.00008278	0.00068278	0.00071473	0.00047827	0.00214829	0.02023755	0.04135905
<b>NOI - Reclaim</b>	PRODUCTION	1,000,000.00	0.88200396	0.02455874	0.06459222	0.08809332	0.00967230	0.01431827	-	0.00854404	0.01851922	0.02186919	0.02306420	0.04410175
<b>Total Expenses</b>	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-
BULKTRAN	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
SUBTRAN	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
DISTPRI	DISTPRI	(890,412)	(2,813,196)	96,894	564,822	1,006,614	411,985	13,472	-	28,234	(70,383)	65,180	2,224	3,742
DISTSEC	DISTSEC	(1,095,033)	(2,131,884)	97,043	367,405	545,861	-	-	-	25,359	(62,318)	45,842	10,881	6,778
ENERGY	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-
CUSTOMER	CUSTOMER	567,208	(814,400)	122,863	100,537	25,200	17,286	78	849,759	4,893	(3,518)	12,100	93,827	158,583
TOTAL	TOTAL	(1,218,237)	(5,759,479)	316,800	1,032,763	1,577,675	429,271	13,551	849,759	58,486	(136,219)	123,122	106,932	169,103
<b>Total Revenue</b>	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-
BULKTRAN	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
SUBTRAN	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
DISTPRI	DISTPRI	11,336,419	6,076,370	270,529	1,326,156	2,104,013	564,446	333,296	-	119,404	166,841	337,370	12,271	23,724
DISTSEC	DISTSEC	7,840,478	4,877,622	279,193	869,443	1,173,854	-	-	-	111,200	156,604	246,243	62,501	44,616
ENERGY	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-
CUSTOMER	CUSTOMER	5,713,697	2,683,433	409,187	258,912	68,466	25,791	5,495	708,613	24,287	11,054	74,241	504,322	939,895
TOTAL	TOTAL	24,890,594	13,639,426	958,909	2,473,511	3,346,332	590,237	338,791	708,613	254,891	334,499	657,854	579,093	1,008,437
<b>Total Revenue</b>	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-
BULKTRAN	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
SUBTRAN	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-
DISTPRI	DISTPRI	10,646,007	3,265,174	367,423	1,890,978	3,110,627	976,431	346,768	-	147,638	96,458	402,550	14,494	27,466
DISTSEC	DISTSEC	6,745,445	2,745,739	376,235	1,255,847	1,719,715	-	-	-	136,559	94,285	292,085	73,382	51,596
ENERGY	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-
CUSTOMER	CUSTOMER	6,280,905	1,869,034	532,051	359,449	93,666	43,077	5,573	1,558,372	29,180	7,536	86,341	598,149	1,098,478
TOTAL	TOTAL	23,672,357	7,879,947	1,275,709	3,506,275	4,924,007	1,019,508	352,341	1,558,372	313,377	196,280	780,976	686,026	1,177,540



**Exhibit No. 4-a (MHW)**

**Gross Rev Conversion Factor = 1.359897**

**Exhibit No. 4-b (MHW)**

Proposed Equalized Rate of Return										
Current Class (1)	Current Total Revenue (2)	Rate Base (3)	Current Income (4)	Current ROR % (5)	Percent Increase (6)	Revenue Increase (7)	Income Increase (8)	Income (9)	ROR % (10)	Sales Revenue (11)=(2)+(7)
RS	64,652,299	100,294,090	(5,759,479)	-5.74	25.53	16,506,679	12,138,183	6,378,704	6.36	81,158,978
SGS	3,056,597	3,611,558	316,800	8.77	-3.88	(118,454)	(87,105)	229,695	6.36	2,938,143
MGS	11,914,500	9,498,798	1,032,763	10.87	-4.89	(582,905)	(428,639)	604,124	6.36	11,331,595
LGS	21,361,815	14,377,210	2,006,946	13.96	-6.96	(1,485,761)	(1,092,555)	914,391	6.36	19,876,054
IP	37,160,064	2,203,082	863,309	39.19	-2.65	(983,468)	(723,193)	140,116	6.36	36,176,596
CS	1,027,576	1,256,469	58,486	4.65	2.84	29,135	21,425	79,911	6.36	1,056,711
PS	2,419,680	2,723,399	(136,219)	-5.00	17.39	420,789	309,427	173,208	6.36	2,840,469
EHG	2,975,823	3,218,038	123,122	3.83	3.72	110,721	81,418	204,540	6.36	3,086,544
OL	878,662	3,391,773	106,932	3.15	16.84	147,936	108,785	215,717	6.36	1,026,598
SL	1,557,915	6,485,512	169,103	2.61	21.24	330,966	243,376	412,479	6.36	1,888,881
TOTAL	147,004,931	147,057,928	(1,218,237)	-0.83	9.78%	14,375,638	10,571,122	9,352,885		161,380,569
Gross Rev Conversion Factor =			1.359897							

Cap	Floor
150%	73%

Current Class	Current TRP & MS Revenue	Net Increase (13)=(7)-(12)	Net Percent Increase (14)=(13)/(2)	Capped Net Increase (15)	Floor Net Increase (16)	Adjusted Net Increase (17)=(15)+(16)	Percent Rate Increase (18)=(17)/(2)	Proposed ROR (19)	Gross Increase (20)=(12)+(17)	Proposed Revenue (21)=(2)+(20)	Test Year TRP & MS Revenue (21)	Current Prompt Pay (22)	Proposed Prompt Pay (23)
RS	2,437,742	14,068,937	21.76	4,543,041	-	4,543,041	7.03%	-0.62%	6,980,783	71,633,082	1,917,489	984,553	1,061,659
SGS	286,380	(404,834)	-13.24	-	103,879	103,879	3.40%	16.72%	390,259	3,446,856	224,097	46,547	49,078
MGS	1,105,111	(1,688,016)	-14.17	-	404,918	404,918	3.40%	22.56%	1,510,029	13,424,529	856,817	181,439	191,386
LGS	1,913,812	(3,399,573)	-15.91	-	725,988	725,988	3.40%	27.46%	2,639,800	24,001,615	1,455,101	325,307	343,348
IP	882,666	(1,866,134)	-5.02	-	631,449	631,449	1.70%	89.72%	1,514,115	38,674,179	865,337	565,869	575,769
CS	92,929	(63,794)	-6.21	-	34,923	34,923	3.40%	12.14%	127,852	1,155,428	71,260	15,648	16,510
PS	215,201	205,588	8.50	170,028	-	170,028	7.03%	5.40%	385,229	2,804,909	166,246	36,848	40,183
EHG	347,792	(237,071)	-7.97	-	101,134	101,134	3.40%	14.09%	448,926	3,424,749	272,450	45,317	48,005
OL	83,046	64,890	7.39	61,743	-	61,743	7.03%	6.29%	144,789	1,023,451	65,047	13,381	14,595
SL	124,383	206,583	13.26	109,473	-	109,473	7.03%	5.26%	233,856	1,791,771	124,383		25,392
<b>TOTAL</b>	<b>7,489,062</b>	<b>6,886,576</b>	<b>4.68</b>	<b>4,884,285</b>	<b>2,002,291</b>	<b>6,886,576</b>	<b>4.68%</b>	<b>6.36%</b>	<b>14,375,638</b>	<b>161,380,569</b>	<b>6,018,227</b>	<b>2,214,929</b>	<b>2,365,924</b>

**Exhibit No. 4-c (MHW)**

## KgPCo Base Rate Revenue Target Summary

From CCOs	Total															
	Total Retail	RS	SGS	MGS-SEC	Total MGS	LGS-SEC	LGS-PRI	Total LGS	IP-PRI	IP-TRA	Total IP	CS	PS	EHG	OL	SL
DISTPRI	18,701,162	6,067,130	466,612	2,672,639	2,672,639	4,488,631	1,341,637	5,830,268	499,055	-	499,055	204,627	287,066	624,296	16,948	32,520
DISTSEC	10,757,272	4,970,758	478,716	1,773,905	1,773,905	2,479,184	-	2,479,184	-	-	-	189,217	266,349	451,383	86,324	61,436
CUSTOMER	9,523,842	3,046,161	685,275	507,399	507,399	133,929	59,158	193,087	7,743	2,907,111	2,914,854	40,450	18,047	132,017	698,389	1,288,164
TOTAL	38,982,275	14,084,049	1,630,603	4,953,942	4,953,942	7,101,743	1,400,795	8,502,539	506,798	2,907,111	3,413,909	434,284	571,462	1,207,696	801,661	1,382,120
Adjustments (Prompt Pay Discount)																
Proposed Prompt Pay	2,365,924	1,061,659	49,078	191,386	191,386	292,418	50,930	292,418	57,808	517,961	575,769	16,510	40,183	48,005	14,595	25,392
DISTPRI	918,849	457,342	14,044	103,253	103,253	184,821	48,780	233,601	56,925	-	56,925	7,779	20,185	24,815	309	597
DISTSEC	606,282	374,687	14,408	68,532	68,532	102,082	-	102,082	-	-	-	7,193	18,728	17,942	1,572	1,129
CUSTOMER	840,793	229,620	20,625	19,602	19,602	5,515	2,151	7,665	883	517,961	518,845	1,538	1,269	5,248	12,715	23,666
TOTAL	2,365,924	1,061,659	49,078	191,386	191,386	292,418	50,930	343,348	57,808	517,961	575,769	16,510	40,183	48,005	14,595	25,392
Base Rate Revenue Targets																
Diet Primary	17,620,011	\$ 6,524,472	\$ 480,656	\$ 2,775,892	\$ 2,775,892	\$ 4,673,452	\$ 1,390,417	\$ 6,063,869	\$ 555,980	\$ -	\$ 555,980	\$ 212,406	\$ 307,251	\$ 649,111	\$ 17,257	\$ 33,117
Diet Secondary	11,363,554	\$ 5,345,455	\$ 493,124	\$ 1,842,436	\$ 1,842,436	\$ 2,581,265	\$ -	\$ 2,581,265	\$ -	\$ -	\$ -	\$ 186,410	\$ 285,077	\$ 469,325	\$ 87,896	\$ 62,565
Customer	10,364,634	\$ 3,275,781	\$ 705,900	\$ 527,001	\$ 527,001	\$ 139,444	\$ 61,309	\$ 200,753	\$ 8,626	\$ 3,425,072	\$ 3,433,698	\$ 41,987	\$ 19,316	\$ 137,265	\$ 711,103	\$ 1,311,830
TOTAL	\$ 39,348,199	\$ 15,145,708	\$ 1,679,680	\$ 5,146,328	\$ 5,145,329	\$ 7,384,161	\$ 1,451,726	\$ 8,845,887	\$ 564,606	\$ 3,425,072	\$ 3,989,678	\$ 450,804	\$ 611,645	\$ 1,255,701	\$ 816,256	\$ 1,407,512

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

**INTRODUCTION AND BACKGROUND**

1  
2   **Q.   PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND POSITION.**

3   A.   My name is Michael H. Ward.

4   **Q.   ARE YOU THE SAME MICHAEL H. WARD WHO SUBMITTED**  
5       **DIRECT TESTIMONY IN THIS PROCEEDING?**

6   A.   Yes.

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

8   A.   The purpose of my rebuttal testimony is to respond to the direct testimony of  
9       Consumer Advocate Unit (CA) witness Novak regarding his concerns about the  
10      class cost-of-service (CCOS) study and his proposal on recovering the revenue  
11      deficiency from the various customer classes.

12   **Q.   WITNESS NOVAK TESTIFIED THAT HE HAS NO KNOWLEDGE OF**  
13       **THE COMMISSION ADOPTING A CCOS STUDY FOR ANY UTILITY**  
14       **THAT IT REGULATES. PLEASE COMMENT.**

15   A.   I have looked back at the Company's rate case orders since 1981, and while it  
16       may be true that the Commission has not based rates solely upon a CCOS, it has  
17       indicated support for cost-based rates. In those orders, the Tennessee Public  
18       Utility Commission (TPUC), or its predecessors, indicated that it 1) approved  
19       generally of the cost-of-service approach (August 21, 1981 order in Docket No.  
20       U-7022); 2) will move toward the implementation of cost-based rates (November

1       15, 1984 order in Docket No. U-84-7308); and 3) would continue the gradual  
2       movement towards a positive rate of return for the residential class (May 29, 1987  
3       order in Docket No. U-86-7472). Furthermore, CCOS studies were the  
4       foundation of the Company's consideration for both its proposals and settlement  
5       discussions in every subsequent case. Given this history, the Company's proposal  
6       to allocate its revenue requirement to the classes based upon its CCOS, along with  
7       the concept of gradualism, is more in keeping with the Commission's previous  
8       pronouncements on this subject than Mr. Novak's recommended allocation  
9       approach.

10   **Q.   PLEASE ELABORATE ON THE PURPOSE OF THE CCOS STUDY?**

11   A.   Cost-of-service studies are a basic and nearly universally accepted tool used in  
12       electric utility ratemaking based on the principle of cost causation. A cost-of-  
13       service study is a largely objective method to attribute costs to the categories of  
14       customers based on how customers cause those costs to be incurred. These  
15       studies assure rates are reasonably set and do not unduly discriminate between  
16       rate classes. The CCOS study fully allocates the test year revenues, expenses, and  
17       rate base to each customer class based on how those customers cause costs to be  
18       incurred. By conducting a CCOS study, cost-based rates are developed and each  
19       customer class is responsible for the costs it imposes on the system. Different  
20       classes of customers use electricity differently and that difference is the basis for  
21       the disparity in the cost to provide them service. A residential customer may use  
22       very little electricity at night in the autumn months but a significantly higher  
23       amount of electricity on a hot summer day or cold winter morning. Contrast that

1 with an industrial customer who may use electricity in a nearly uninterrupted  
2 manner both day and night, all year. On a per-unit basis, that residential customer  
3 is more expensive to serve because the Company must design its system to deliver  
4 electricity on the peak hour, but must collect the revenues over the year at times  
5 when consumption is often considerably less than the peak. This principle of cost  
6 causation is widely accepted throughout the industry and throughout the  
7 American Electric Power (AEP) system and should be used by the TPUC to set  
8 rates in this case.

9 **Q. MR. NOVAK STATES CONCERNS OVER THE NUMBER OF**  
10 **ALLOCATION FACTORS THE COMPANY USED IN ITS COST**  
11 **STUDIES AND HOW THOSE COSTS ARE CLASSIFIED. WHY ARE**  
12 **THESE ALLOCATORS NECESSARY?**

13 **A.** To accurately determine cost causation, costs must be assigned to the source, or  
14 class, that causes them to be incurred. As described in my direct testimony, this is  
15 the purpose of the CCOS study. As is the industry standard, each line item in  
16 these studies is reviewed, and an appropriate assignment or allocation method is  
17 determined based on cost causation. Numerous forms of Company data are used  
18 to allocate costs to the various classes. Allocators used in this study are similar to  
19 those used and approved in rate cases across the AEP system as well as for  
20 practically all other electric utilities. For Mr. Novak to state that he could easily  
21 allocate plant accounts (which apply a demand allocator) using an alternative  
22 energy allocator (Novak Page 25, Lines 12-15) ignores the critical fact that utility  
23 infrastructure is largely built and sized based on peak usage, or the demand

1 requirements of the system, not annual consumption of electricity. Demand  
2 allocators are necessary to allocate demand-related costs among the various rate  
3 classes based on their respective contribution to that peak demand. The common  
4 application of this concept is identified in the National Association of Regulatory  
5 Utility Commissioners (NARUC), Electric Utility Cost Allocation Manual,  
6 Washington, D.C., 1992, page 13, as follows:

7 "Since generating units and transmission lines are sized  
8 according to the peak demand consumed, the individual  
9 contribution to peak demand came to be considered the  
10 appropriate factor for the allocation of those facilities."

11 Additional examples of the use of specific allocators include: Company data on  
12 customer deposits to allocate the interest on customer deposits; pre-tax operating  
13 income to allocate taxes; retail sales to allocate the gross receipts tax; electric  
14 utility plant (gross utility plant) to allocate property taxes; detailed Company  
15 meter data to allocate investment in meters; detailed Company data on overhead  
16 and underground lines, as well as transformers and poles, between the primary  
17 and secondary distribution system to allocate investments associated with this  
18 distribution equipment. As these examples demonstrate, extensive efforts are  
19 made to fairly, and as objectively as possible, determine the costs of serving each  
20 customer class and the return earned from each class. Numerous allocation  
21 factors are necessary to properly determine and assign costs.

22 Finally, while it is unclear how Mr. Novak would allocate the items listed  
23 previously, he states "factors beyond just the cost of service need to also be  
24 considered in allocating costs. These other factors include value of service,

1 product marketability, encouragement of efficient use of facilities, broad  
2 availability of service functions, and a fair distribution of charges among users”  
3 (Novak page 25, lines 18-21). He provides no explanation as to how these  
4 subjective and unquantifiable factors would be determined or how they were  
5 considered in his margin-based approach. In contrast, the Company’s proposal  
6 takes into account the principle of gradualism in the movement toward cost-based  
7 rates and recognizes factors other than cost-of-service.

8 **Q. DOES THE COMPANY SUPPORT MR. NOVAK’S PROPOSAL TO**  
9 **RECOVER THE REVENUE DEFICIENCY FOR ALL CUSTOMER**  
10 **CLASSES BASED ON THE CURRENT MARGIN PROVIDED BY EACH**  
11 **CUSTOMER CLASS (NOVAK PAGE 26, LINES 12-15)?**

12 **A.** No. In each of the other regulatory jurisdictions in which AEP operating  
13 companies provide service, the principle of cost causation is applied to rate  
14 development. The same principle should be applied by the TPUC in this case.  
15 Mr. Novak proposes a method that socializes the cost of electricity for Kingsport  
16 Power Company customers by perpetuating and, in some cases, exacerbating  
17 existing subsidies among the classes. With Mr. Novak’s proposed allocation  
18 method, certain classes of customers will continue to over-pay and others under-  
19 pay for their service from Kingsport Power Company. The logic of assigning  
20 revenues proportionately to the tariff classes rests on the foundation that the  
21 underlying, existing revenues are apportioned correctly. If the underlying  
22 revenues, as is often the case, are not representative of the underlying costs, a

1 strict revenue apportionment based on current revenues will only exacerbate any  
2 inequities that exist in current revenues.

3 As discussed above, as well as in my and Company witness Castle's direct  
4 testimonies, the objective is to design rates that reflect the actual cost of serving  
5 customers while avoiding the potential for adverse economic shocks to individual  
6 customers. The Company's proposal strikes a balance that moves toward cost-  
7 based rates, while limiting the impact of the revenue increase on any one class.  
8 The Company recommends that TPUC approve this fair and objective method  
9 that will gradually reduce subsidies and continue the move towards cost-based  
10 rates, consistent with past Commission orders.

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

12 **A. Yes.**