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KPOW-10725

December 1, 2021

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on December 1, 2021 at 12:57 p.m.

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

Re: IN RE: PETITION OF KINGSFORT POWER
COMPANY d/b/a AEP APPALACHIAN POWER
FOR OCTOBER, 2020 – SEPTEMBER, 2021
ANNUAL RECOVERY UNDER THE TARGETED
RELIABILITY PLAN AND MAJOR STORM
RIDER (“TRP&MS”), ALTERNATIVE RATE
MECHANISMS APPROVED IN
DOCKET NO. 17-00032
DOCKET NO.: 21- 00142

Dear Chairman Hill:

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

Petition Of Kingsport Power Company d/b/a AEP Appalachian Power

The original, six (6) copies and a disc containing AWA Exhibit 5 are being sent via Federal Express.

Also, enclosed is a check in the amount of \$25.00 for filing.

Dr. Kenneth C. Hill, Chairman

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December 1, 2021

Very sincerely yours,


HUNTER, SMITH & DAVIS, LLP
William C. Bovender

Enclosure

cc: Kelly Grams, General Counsel (w/enc.)
David Foster (w/enc.)
Monica L. Smith-Ashford, Esq. (w/enc.)
Michael J. Quinan, Esq. (w/enc.)
Edward L. Petrini, Esq. (w/enc.)
Rachel Bowen, Esq. (w/enc.)
Karen H. Stachowski, Esq. (w/enc.)
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BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION

NASHVILLE, TENNESSEE

| | | |
|--|---|------------------------------|
| IN RE: PETITION OF KINGSPORT POWER |) | |
| COMPANY d/b/a AEP APPALACHIAN POWER |) | |
| FOR OCTOBER, 2020 - SEPTEMBER, 2021 ANNUAL |) | |
| RECOVERY UNDER THE TARGETED RELIABILITY |) | |
| PLAN AND MAJOR STORM RIDER ("TRP&MS"), |) | DOCKET NO.: 21- <u>00142</u> |
| ALTERNATIVE RATE MECHANISMS APPROVED |) | |
| IN DOCKET NO. 17-00032 |) | |

PETITION OF KINGSPORT POWER COMPANY d/b/a AEP APPALACHIAN POWER FOR OCTOBER, 2020 – SEPTEMBER, 2021 ANNUAL RECOVERY UNDER THE TARGETED RELIABILITY PLAN AND MAJOR STORM RIDER ("TRP&MS"), ALTERNATIVE RATE MECHANISMS APPROVED IN DOCKET NO. 17-00032

Comes Petitioner, Kingsport Power Company, d/b/a AEP Appalachian Power (herein, "KgPCo" or "Company"), and respectfully requests the Tennessee Public Utility Commission (herein, "TPUC") grant KgPCo recovery of \$6,011,424 of deferred actual Targeted Reliability Plan (herein, "TRP") costs and Major Storm (herein, "MS") expenses that are not offset by cumulative TRP&MS revenues and have not been recovered through base rates. The TRP&MS Rider, approved by TPUC in Docket No. 17-00032, authorizes KgPCo to Petition to recover these incremental costs and expenses. Reference is hereby made to Order Granting the Petition in Docket No. 17-00032.

1. It is requested that any notices or other communications with respect to this Petition be sent to the following individuals on behalf of KgPCo:

A. William K. Castle, Director, Regulatory Services VA/TN
American Electric Power Service Corporation
Three James Center
Suite 1100 1051 E. Cary Street
Richmond, VA 23219-4029
Ph: (804) 698-5540
Email: wkcastle@aep.com

B. James R. Bacha, Esq., Associate General Counsel
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DESCRIPTION OF THE COMPANY AND JURISDICTION

2. KgPCo is a public utility with its principal office located in Kingsport, Tennessee, and is engaged in the business of distributing electric power to approximately 50,000 retail customers in its service area which includes the City of Kingsport, Tennessee, the Town of Mt. Carmel, Tennessee, and portions of Sullivan County, Washington County and Hawkins County, Tennessee. KgPCo's service area consists of 297 square miles and its distribution system includes more than 1,570 circuit miles of line. KgPCo's service area abuts in several areas the state line between Tennessee and Virginia. As a public utility operating in the electricity distribution business in Tennessee, KgPCo is subject to the regulation and supervision of TPUC.

3. Kingsport purchases all of its electric power requirements from Appalachian Power Company (herein, “APCo”), whose wholesale rates and charges are subject to the jurisdiction of the Federal Energy Regulatory Commission.

ACTION OF TPUC IN DOCKET NO. 17-00032

4. In Docket No. 17-00032, TPUC, citing T.C.A. § 65-5-103(d), found that the proposed “...ten-year TRP consisting of a Vegetation Management and Systems Improvement should improve service and the reliability of KgPCo’s infrastructure at reasonable costs to consumers.” (Order, Docket No. 17-00032, p. 10).

In addition, TPUC “...further found that the MS recovery mechanism to be a reasonable approach to account for and recover future costs related to storm damages.” (*Id.*)

5. Pursuant to the Order in Docket No. 17-00032, KgPCo has previously filed Petitions for Annual Recovery Under the Targeted Reliability Plan and Major Storm Rider (“TRP&MS”), Alternative Rate Mechanisms, in Docket No. 18-00125, Docket No. 19-00106 and Docket No. 20-00127, all portions of the filings in those Dockets being incorporated herein by reference, and, particularly, the STIPULATION AND SETTLEMENT and ORDER APPROVING THE STIPULATION AND SETTLEMENT AGREEMENT in Docket No. 18-00125 and the ORDERS APPROVING THE PETITIONS in Docket No. 19-00106 and Docket No. 20-00127. Pursuant to the STIPULATION AND SETTLEMENT AGREEMENT and ORDER APPROVING same in Docket No. 18-00125, and the orders of the TPUC in the other referenced dockets, KgPCo is obligated in TRP&MS Rider proceedings to provide information and metrics as discussed in the testimony.

6. In addition, said STIPULATION AND SETTLEMENT AGREEMENT and ORDER in Docket No. 18-00125 reflect that, going forward, KgPCo will utilize IEEE Standard

1366-2012, or any successor thereto, to determine which weather events, if any, qualify as Major Storms for purposes of recovering eligible costs under Rider TRP&MS.¹

7. October 1, 2020 – September 30, 2021 is the review period for this matter (“Review Period”).

8. In this Petition, KgPCo is requesting to recover \$6,011,424 of deferred actual TRP&MS under-recovered costs as of September 30, 2021, recorded on KgCo’s books in Account 1823426, TRP&MS Under Recovery. The net under-recovery of \$6,011,424 is comprised of an under-recovery of \$14,369,662 for TRP costs and an under-recovery of \$1,796,067 for major storm expenses offset by cumulative TRP&MS Rider revenues of \$10,154,305 recovered through September 2021. The \$14,369,662 and \$1,796,067 under-recovery balances as of September 30, 2021 are also net of the annual level of TRP costs and major storm expenses recovered through base rates of \$903,372 and \$392,376 respectively. The annual level of TRP&MS costs included in current base rates was determined by Commission ORDER, dated October 19, 2016, in Docket No. 16-00001. If this Petition is approved as filed, a residential customer will see a decrease of \$1.41 in the service charge component on the monthly bill.

9. KgPCo submits in support of this Petition the following:

A. DIRECT TESTIMONY OF ELEANOR K. KEETON, including the following exhibits:

- KgPCo Exhibit No.1 (EKK): Kingsport Power Reliability Profile (October 1, 2019 – September 30, 2020).

¹ Stipulation and Settlement Agreement, pp. 4, 5; Order, page 9.

- KgPCo Exhibit No. 2 (EKK): TRP&MS Rider Revenue Allocation and Rate Calculations.
- KgPCo Exhibit No. 3 (EKK): TRP&MS Rider (clean and redline).
- KgPCo Exhibit No. 4 (EKK): Typical Bill Comparison.

B. DIRECT TESTIMONY OF A. WAYNE ALLEN, including the following exhibits:

- KgPCo Exhibit No. 1 (AWA): Summary of the monthly over or under-recovery of TRP&MS costs for the Review Period, October 2020 – September 2021.
- KgPCo Exhibit No. 2 (AWA): Schedule of revenues recorded from the TRP&MS Rider, June 2019 – September 2021.
- KgPCo Exhibit No. 3 (AWA): Attestation regarding the requested TRP&MS costs and expenses.
- KgPCo Exhibit No. 4 (AWA): Summary, by category, of TRP&MS Operation and Maintenance (“O&M”) expenses incurred during the Review Period, October 2020 – September 2021, and a detailed listing of invoices paid related to such expenses.
- KgPCo Exhibit No. 5 (AWA): Voluminous general ledger detail of all TRP&MS O&M expenses incurred during the Review Period, October 2020 – September 2021, which is being supplied on disk.
- KgPCo Exhibit No. 6 (AWA): Chart listing the 10-year annual projected TRP costs compared with the actual life-to-date TRP costs.
- KgPCo Exhibit No. 7 (AWA): List of TRP&MS Projects for period October 2020 – September 2021.

10. KgPCo will cause to be published in the Kingsport Times News, the newspaper of general circulation in KgPCo's service area, a NOTICE TO PUBLIC relative to this proceeding.

RELIEF REQUESTED

11. This Petition is filed pursuant to the Rules and Regulations of TPUC, Sections 1220-4-1-.02, 1220-4-1-.03, and 1220-4-1-.05 and T.C.A. § 65-5-103. KgPCo respectfully requests TPUC grant KgPCo recovery for incremental Targeted Reliability Plan costs and Major Storm expenses as of September 30, 2021 in the amount of \$6,011,424, consisting of an under-recovery of \$14,369,662 for TRP costs and an under-recovery of \$1,796,067 for Major Storm O&M expenses offset by TRP&MS rider revenue of \$10,154,305. These under-recovery balances are also net of the annual level of TRP costs and Major Storm expenses recovered through base rates of \$903,372 and \$392,376 respectively, per the TPUC Order in Docket No. 16-00001.

WHEREFORE, KgPCo respectfully prays that TPUC issue an Order (1) permitting the recovery sought in this proceeding of the \$6,011,424 revenue requirement, same being the actual amount of unrecovered costs through September 30, 2021, under the formula approved by TPUC in Docket No. 17-00032; and (2) approval of applicable rates contained in KgPCo's TRP&MS Rider.

Respectfully submitted this the 1st day of December, 2021.

**KINGSPORT POWER COMPANY d/b/a
AEP APPALACHIAN POWER**

By: 

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Joseph B. Harvey, Esq.

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*Attorneys for Kingsport Power Company
d/b/a AEP Appalachian Power*

CERTIFICATE OF SERVICE

The undersigned hereby certifies that the foregoing *Petition Of Kingsport Power Company D/B/A AEP Appalachian Power ("KgPCo") or ("Company") for October, 2020 – September, 2021 Annual Recovery Under The Targeted Reliability Plan And Major Storm Rider ("TRP&MS")*, *Alternative Rate Mechanisms Approved In Docket No. 17-00032* has been served by mailing a copy of same by United States mail, postage prepaid, and Email, to below on this the 1st day of December, 2021, as follows:

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Monica L. Smith-Ashford
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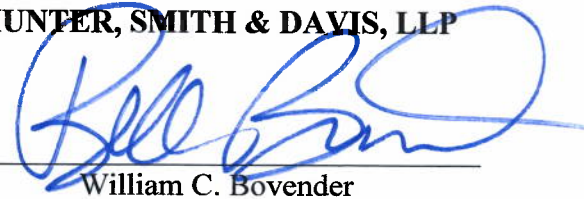
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HUNTER, SMITH & DAVIS, LLP

By: _____



William C. Bovender