

**DIRECT TESTIMONY OF
ELEANOR K. KEETON
ON BEHALF OF KINGSPORT POWER COMPANY
D/B/A AEP APPALACHIAN POWER
BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION
DOCKET NO. 21- 00142**

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

2 A. My name is Eleanor K. Keeton. My business address is Three James Center, Suite
3 1100, 1051 East Cary Street Richmond, Virginia 23219. I am employed by
4 Appalachian Power Company (APCo) as a Regulatory Consultant Principle VA/TN.

5 **Q. PLEASE BRIEFLY DESCRIBE YOUR EDUCATIONAL BACKGROUND**
6 **AND PROFESSIONAL EXPERIENCE.**

7 A. I received my Master of Public Administration from Virginia Commonwealth
8 University in 2015, with a concentration in Public Policy. From 2013 to 2015 I
9 worked as a graduate research fellow at the Virginia Department of Corrections where
10 my primary responsibilities were to support operations of the Research Unit, including
11 data extraction, collection, and collation for federal grant reporting purposes and
12 compliance to agency procedure. In 2015 I was hired by the Virginia Department of
13 Corrections as a Senior Research Analyst in the Program Fidelity and Evaluation Unit.
14 My primary duties included designing and maintaining various research studies for
15 program evaluation and policy analysis, and making recommendations based on the
16 outcomes of the analyses. In August 2017, I accepted the position of Regulatory
17 Consultant Senior with APCo and was promoted to my current position in March
18 2021.

1 **Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY AS A WITNESS**
2 **BEFORE ANY REGULATORY COMMISSION?**

3 A. Yes. I have submitted testimony to the Tennessee Public Utility Commission (TPUC
4 or Commission) on behalf of Kingsport Power Company (KgPCo or the Company) in
5 Docket Nos. 18-00125, 19-00106, 20-00127, and 21-00107. I have also submitted
6 testimony on behalf of Appalachian Power Company (APCo) before the Virginia State
7 Corporation Commission.

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

9 A. The purpose of my testimony is to provide an overview of the elements of KgPCo's
10 filing to implement new rates under its Targeted Reliability Plan and Major Storm
11 Alternative Rate Mechanism (TRP & MS ARM), including reliability information
12 and metrics as directed by the Commission's Order in Docket No. 17-00032. I also
13 explain the method used to allocate the revenue requirement to the customer classes
14 as approved in the Company's prior TRP & MS filings (Docket Nos. 18-00125, 19-
15 00196, and 20-00127), support the development of the associated rates for the
16 various customer classes, and sponsor the TRP & MS tariff sheets.

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

18 A. Yes, I am sponsoring the following exhibits:

- 19 • KgPCo Exhibit No. 1 (EKK): Kingsport Power Reliability Profile (10/1/2020 –
20 9/30/2021)
- 21 • KgPCo Exhibit No. 2 (EKK): TRP & MS Rider Revenue Allocation and Rate
22 Calculations

- 1 • KgPCo Exhibit No. 3 (EKK): TRP & MS Rider (clean and redline)
- 2 • KgPCo Exhibit No. 4 (EKK): Typical Bill Comparison

3 **Q. PLEASE BRIEFLY DESCRIBE THE TRP & MS ARM AS APPROVED IN**
4 **CASE NO. 17-00032.**

5 A. The TRP & MS ARM recovers costs incurred under the Targeted Reliability Plan
6 (TRP) and expenses associated with Major Storm (MS) restoration efforts beyond
7 the amounts recovered through base rates. The TRP is designed to improve
8 reliability for KgPCo's distribution customers through two components: a vegetation
9 management program (VMP) and a system improvement program (SIP). Initially,
10 the VMP was designed to transition the Company to a four-year, ongoing vegetation
11 management cycle, which required an initial accelerated focus on rights-of-way
12 (ROW) clearing, followed by a vegetation management program that would address
13 each circuit every four years. The SIP, which is being phased in over a 10-year
14 period, encompasses three features that improve reliability and protect the
15 distribution system from storms and other events: circuit improvements, circuit
16 inspections, and station improvements.

17 Pursuant to the Order in Docket No. 17-00032, the Company is filing to
18 recover its TRP costs and MS expenses, including those incurred during the period
19 October 2020 – September 2021 that are not included in base rates, as reflected in
20 the Company's TRP & MS balance as of September 30, 2021. In the Company's
21 last base rate case, Docket No. 16-00001, the Commission set base rates to include
22 \$903,372 in distribution and reliability Operation and Maintenance (O&M) expenses

1 and \$392,381 for MS related O&M costs. The TRP & MS ARM is designed to
2 recover or return any costs above or below these amounts.

3 **Q. PLEASE DESCRIBE KGPCO EXHIBIT NO. 1 (EKK).**

4 A. KgPCo Exhibit No. 1 (EKK) provides the information and metrics for the review
5 period October 1, 2020, through September 30, 2021, as directed by the
6 Commission's Order in Docket No. 17-00032.¹

7 **Q. PLEASE BRIEFLY DESCRIBE THE STATUS OF THE VMP COMPONENT**
8 **OF THE TRP.**

9 A. The VMP component of the TRP was originally designed to achieve a 4-year cycle,
10 with completion of the initial cycle expected in 2021. The Company's vegetation
11 management activities are performed exclusively with contract labor. Current
12 disruptions in the labor pool resulting from the pandemic necessitated the extension
13 of the vegetation management cycle past the planned 4-year cycle; as a result, the
14 Company is still in the initial cycle. It is unknown at this time whether, or how
15 quickly, these imbalances will be resolved. In the interim, it is the Company's
16 intention to adhere as much as practicable to the ten-year forecast of costs approved
17 in Docket No. 17-00032.

18 During the most recent reporting period, October 1, 2020 through September
19 30, 2021, the Company completed vegetation management activities on 137 miles of
20 ROWs. Cumulatively, the Company has completed vegetation management

¹ See *In re: Petition of Kingsport Power Company d/b/a AEP Appalachian Power for Approval of Its Targeted Reliability Plan, and Its TRP & MS Rider, An Alternative Rate Mechanism and Motion for Protective Order*, Docket No. 17-0032, *Order Granting Petition*, p. 11 (November 9, 2017).

1 activities on 923 of the total 1,334 miles of ROWs, and performed work on 55 of the
2 67 targeted distribution circuits since the inception of the program.

3 **Q. PLEASE DISCUSS THE STATUS OF THE SIP COMPONENT OF THE TRP.**

4 A. The SIP component of KgPCo's TRP continues to progress. During the most recent
5 review period the Company incurred costs related to circuit inspections and
6 maintenance, circuit improvements, and pole inspections and replacements. The
7 Company has completed the inspection of 3,910 wood poles, 286 overhead circuit
8 miles, and over 1,600 underground structures. The Company has also completed the
9 replacement of 190 wood poles as a result of these inspections.

10 **Q. DID THE COMPANY EXPERIENCE ANY MAJOR STORM EVENTS**
11 **DURING THE PERIOD OCTOBER 2020 THROUGH SEPTEMBER 2021?**

12 A. No. The Company did not experience any major weather events during this period.²

13 **Q. WHAT IS THE REVENUE REQUIREMENT THE COMPANY IS SEEKING**
14 **IN THIS CASE?**

15 A. The revenue requirement the Company is seeking to recover in this case is
16 \$6,011,424 as sponsored by Company witness Allen. This amount excludes the
17 Prompt Payment Discount, per the TPUC approved Stipulation and Settlement
18 Agreement in Docket No. 18-00125.³

² Per the TPUC Order approving the Stipulation and Settlement Agreement in Docket No. 18-00125, KgPCo uses the IEEE Standard 1366-2012 to determine if a weather event qualifies as a Major Storm for purposes of recovering eligible Major Storm costs under the Company's TRP&MS Rider. *In re: Petition of Kingsport Power Company d/b/a AEP Appalachian Power for Annual Recovery Under the Targeted Reliability Plan and Major Storm Rider ("TRP & MS Rider"), Alternative Rate Mechanisms Approved in Docket No. 17-00032, Docket No. 18-00125, Order Approving the Stipulation and Settlement Agreement*, p. 9 (August 5, 2019).

³ *Id.* at 8.

1 **Q. HOW DID YOU ALLOCATE THE CALCULATED REVENUE**
2 **REQUIREMENT OF \$6,011,424 TO THE CLASSES?**

3 A. I allocated the revenue requirement to KgPCo's customer classes consistent with the
4 methodology approved in its last base rate case, Docket No. 16-00001, and
5 prescribed by the TPUC in Docket No. 17-00032. The resultant revenue allocation
6 by rate schedule is shown on KgPCo Exhibit No. 2 (EKK).

7 **Q. HOW DID YOU DETERMINE THE IMPACT TO INDIVIDUAL RATE**
8 **SCHEDULES?**

9 A. Using the prescribed base case billing determinants, I updated the demand, energy,
10 and customer charge components of each rate schedule, as appropriate. The
11 resultant TRP & MS Rider rate schedule, in both red-line and clean formats, is
12 included as KgPCo Exhibit No. 3 (EKK).

13 **Q. WHAT IS THE IMPACT ON A RESIDENTIAL CUSTOMER'S BILL?**

14 A. A residential customer will see a decrease of \$1.41 in the service charge component
15 on their monthly bill. KgPCo Exhibit No. 4 (EKK) provides the typical monthly bill
16 decreases for all customer classes by comparing the rates effective November 1,
17 2021 to those with the TRP & MS decrease.

18 **Q. WHEN WILL THE PROPOSED TRP & MS RATES BE IMPLEMENTED?**

19 A. KgPCo is seeking an effective date of April 1, 2022, on a service rendered basis.

20 **Q. WHAT IS THE COMPANY PROPOSING IN REGARD TO THE TRP & MS**
21 **ARM IN ITS BASE CASE CURRENTLY BEFORE THE COMMISSION?**

22 A. In Docket No. 21-00107, the Company is proposing to reflect the going-level of TRP
23 & MS costs in the requested cost of service. If approved, the Company will set the

1 TRP & MS rates to \$0 at the time base rates go into effect so customers will not pay
2 a higher level in base rates and a similar amount in the TRP & MS ARM
3 simultaneously. The rates for the TRP&MS ARM can be reset in the subsequent
4 annual TRP&MS filing using the new basing points and the balances at that time.
5 The Company also proposes to use updated revenue allocation and billing
6 determinants for future TRP & MS filings.

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

8 A. Yes, it does.

Kingsport Power (10/1/20 - 9/30/21) Reliability Profile

PROFILE:	10/1/20 - 9/30/21	Footnote
Total Customer Accounts	49,677	[i]
Active Customer Premises	48,429	[ii]
Residential Customer Accounts	42,162	
OH Residential Services	29,337	[iii]
Total OH Distribution R-O-W (2-/3-phase miles, single phase miles)	2-3 Phase 405; Single Phase 929	
OH Distr. R-O-W Miles Requiring Vegetation Management (2-/3-phase miles, single phase miles)	2-3 Phase 405; Single Phase 929	
Distribution Circuits	66	
Distribution Pole Miles	1,334	
Distribution Cable Miles	270	
R-O-W Width	Varies, up to 40 feet.	
NEW OH & UG SERVICE CONNECTS:	10/1/20 - 9/30/21	
New Service Connects	408	
New Service Connects Total Costs	\$1,366,682	
Average Time to Complete New Service Requests	4	
Average Daily OT Worked per Lineman (hrs)	2	
RESOURCES/EXPENSES:	10/1/20 - 9/30/21	
Distribution Employees	53	
Distribution Reliability Program Employees	24	
Company OH Distribution Linemen	21	
Contract OH Distribution Linemen	14	
Restoration Vehicles	54	[iv]
Pole Inventory (UOM = each)	134	[v]
Cross Arm Inventory (UOM = each)	92	[v]
Wire Inventory (UOM = feet)	131,521	[v]
Distribution O&M Expenses	\$6,446,107	
Distribution Capital Expenses	\$9,328,283	
Distribution Reliability Improvement Expenses	\$5,548,819	
Major Storms Restoration Expenses	\$0	
Service Restoration Expenses (excl. major storms)	\$1,284,154	
POLE INSPECTION PROGRAM:	10/1/20 - 9/30/21	
Utility or Contractor (provide name) Conducted	GeoForce	
Inspection Cycle (years)	10	
Number of Distribution Wood Poles on System	32,157	
Number of Distribution Wood Poles Inspected	3,910	
Distribution Wood Utility Poles Replaced (as a result of routine inspections)	190	
Distribution Wood Utility Poles Replaced as a result of major storms	0	
Distribution Wood Utility Poles Reinforced	0	
RELIABILITY IMPROVEMENT TARGETS:	10/1/20 - 9/30/21	
Number of Worst Circuits Targeted	3	
Number of Worst Devices Targeted	Not Available	[vi]
Number of Worst CEI Customers Targeted	Not Available	[vi]
OUTAGES (Including Major Storms):	10/1/20 - 9/30/21	
Major Storms	0	
Major Storms Impacting > 100,000 Customers	0	
Number of Outage Events	1,911	
Minimum Time for an Outage Event to Qualify as a Sustained Outage (min.)	6	
Average Number of Hours For Full Restoration (last customer on) Per Event	3.83	
Total Customer Hours Out	202,940	
Customer Hours Out – UG Mat'l	Included in OH Material	

Customer Hours Out – Trees	90,776.7	
Customer Hours Out – Weather	12,441.7	
Customer Hours Out – OH Mat'l	27,018.4	
Customer Hours Out – Misc.	11,006.4	
Customer Hours Out – Public	35,758.7	
Customer Hours Out – Bulk Pwr.	2,275.5	
Customer Hours Out – Company	23,662.7	
Number of Customers with greater than 10 Outages	53	[vii]
Number of Customers with 7-10 Outages	1,455	[vii]
Number of Customers with 4-6 Outages	2,971	[vii]
Number of Customers with 1-3 Outages	24,812	[vii]
Number of Customers with 0 Outages	19,138	[vii]
1st Major Cause of Outages	Animal	
2nd Major Cause of Outages	Veg Outside ROW	
3rd Major Cause of Outages	Equipment	
4th Major Cause of Outages	Scheduled	
5th Major Cause of Outages	Veg Inside ROW	
OUTAGES (Excluding Major Storms):	10/1/20 - 9/30/21	
Number of Outage Events (excl. major storms)		
Average Number of Hours For Full Restoration (last customer on) Per Event (excl. major storms)	1,911	
Total Customer Hours Out (excl. major storms)	3.8	
Customer Hours Out – UG Mat'l (ex. major storms)	202,940	
Customer Hours Out – Trees (ex. major storms)	Included in OH Material	
Customer Hours Out – Weather (ex. major storms)	90,776.7	
Customer Hours Out – OH Mat'l (ex. major storms)	12,441.7	
Customer Hours Out – Misc. (ex. major storms)	27,018.4	
Customer Hours Out – Public (ex. major storms)	11,006.4	
Customer Hours Out – Bulk Pwr. (ex. major storms)	35,758.7	
Customer Hours Out – Company (ex. major storms)	2,275.5	
Number of Customers with greater than 10 outages	23,662.7	[vii]
Number of Customers with 7-10 Outages	53	[vii]
Number of Customers with 4-6 Outages	1,455	[vii]
Number of Customers with 1-3 Outages	2,971	[vii]
Number of Customers with 0 Outages	24,812	[vii]
1st Major Cause of Outages	19,138	
2nd Major Cause of Outages	Animal	
3rd Major Cause of Outages	Veg Outside ROW	
4th Major Cause of Outages	Equipment	
5th Major Cause of Outages	Scheduled	
	Veg Inside ROW	
INDICES EXCLUDING MAJOR STORMS: (Distribution only)	10/1/20 - 9/30/21	
SAIDI Goal (minutes, excl. major storms)	Not Applicable	[viii]
SAIDI Actual (minutes, excl. major storms)	243.35	
SAIFI Actual (interruptions, excl. major storms)	1.21	
CAIDI Actual (minutes, excl. major storms)	201.94	
CTAIDI Actual (minutes, excl. major storms)	402.3	
Service Availability Goal (% excl. major storms)	Not Applicable	[viii]
Actual Service Availability (% excl. major storms)	99.95%	
INDICES WITH NO EXCLUSIONS: (Distribution only)	10/1/20 - 9/30/21	
SAIDI Actual (minutes, incl. major storms)	243.3	
SAIFI Actual (interruptions, incl. major storms)	1.205	
CAIDI Actual (minutes, incl. major storms)	201.9	
CTAIDI Actual (minutes, incl. major storms)	402.3	
Actual Service Availability (% incl. major storms)	99.954%	
INDICES EXCLUDING MAJOR STORMS: (Total Distribution and Bulk Power)	10/1/20 - 9/30/21	
SAIDI Goal (minutes, excl. major storms)	Not Applicable	[ix]
SAIDI Actual (minutes, excl. major storms)	251	

SAIFI Actual (interruptions, excl. major storms)	1.290	
CAIDI Actual (minutes, excl. major storms)	194.93	
CTAIDI Actual (minutes, excl. major storms)	415.7	
Service Availability Goal (% , excl. major storms)	Not Applicable	[ix]
Actual Service Availability (% , excl. major storms)	99.952%	
INDICES WITH NO EXCLUSIONS: (Total Distribution and Bulk Power)	10/1/20 - 9/30/21	
SAIDI Actual (minutes, incl. major storms)	251.4	
SAIFI Actual (interruptions, incl. major storms)	1.290	
CAIDI Actual (minutes, incl. major storms)	194.9	
CTAIDI Actual (minutes, incl. major storms)	415.7	
Actual Service Availability (% , incl. major storms)	99.95%	
TREE-RELATED DATA	10/1/20 - 9/30/21	
Routine Tree Trimming Expense	\$3,048,976	[x]
Tree Removal Program Expense	\$2,024,131	[xi]
Hot Spot Trimming Expense	\$3,505	[xii]
Tree Trimming Cycle (urban and rural, years)	1	[xiii]
Distribution R-O-W Miles Maintained	137	
Spot Inspections Conducted	334	
Total Distribution Foresters	1	
Degreed Distribution Foresters	1	
Contract Tree Trimmers (approx.)	66	[xiv]
Tree Outage Events (excl. major storms)	636	
Average Number of Hours For Full Restoration (last customer on) Per Tree Event (excl. major storms)	5.97	
Range for Full Restoration (shortest, longest)	0.1 Hr. to 49.9 Hr.	
Tree SAIFI Actual (excl. major storms)	0.461	
Tree SAIFI Goal (excl. major storms)	NA	[xv]
Tree SAIDI Actual (minutes, excl. major storms)	112.5	
Total Tree Trimming Complaints (Trimming Report to TPUC)	1	

Footnotes

[i] Total Customer Accounts per MACSS (Marketing and Customer Services System). Taken from report ran out of Business Objects.

[ii] Total active premise counts (end of year actual) used in the calculation of reliability indices.

[iii] The number of OH Residential Services is determined from GIS Electric Office Small World and MACSS classification of accounts (residential).

[iv] The count of vehicles reflects the number of distribution vehicles involved in restoration throughout the Kingsport service territory. In the event of a more severe storm, additional vehicles would be brought in from neighboring states and ultimately from across the AEP system.

[v] The 2020-2021 inventory numbers came from MAXIMO (Work and Asset Management System).

[vi] Records are not kept on specific devices and CEI customers targeted.

[vii] There are processes that are not yet perfected in tying actual premises to outages. As the processes improve, the estimates of the number of customers with a particular number of outages will tend to increase.

[viii] The Company does not set goals for "Distribution Only."

[ix] Kingsport does not set explicit goals for SAIDI or ASAI.

[x] O&M expenses from the VMP representing accounts 5930000 and 5930001.

[xi] Capital expenses from the VMP representing account 1070001.

[xii] O&M for material and outside service only. All O&M expenditures are also included in the 'Routine Tree Trimming Expense'.

[xiii] The Company switched to a 4 year cycle beginning 1/1/18, however, various circumstances have extended the trim cycle.

[xiv] Distribution-Only.

[xv] Kingsport does not have a tree SAIFI goal.

Kingsport Power Company
TRP & MS Rider
Revenue Allocation and Rate Calculation

Revenue Allocation Factor by Tariff Subclass (a) (1)	Revenue (b) Requirement (2)	Billing (c) Determinants (3)	Energy (¢)/kWh	Rate/Charge Demand (\$)/KW or KVA (4) = (2 / 3)	Customer/Service (\$)/Customer
<u>Residential</u> - 011, 015, 018, 030, 051	28.30% \$ 1,699,682	495,438		\$	3.43
<u>Small General Service (SGS)</u> - 231, 232, 233	3.12% \$ 187,817	43,489		\$	4.32
<u>Medium General Service (MGS) Secondary</u> - 235	14.26% \$ 857,852	425,067		\$	2.02
<u>General Service Time-of-Day (GS-TOD)</u> - 229	0.02% \$ 941	477,775	0.19695		
<u>Medium General Service (MGS) Primary</u> - 237	0.17% \$ 10,464	5,381		\$	1.94
<u>Large General Service (LGS) Secondary</u> - 240, 242	24.26% \$ 1,458,867	667,906		\$	2.18
<u>Large General Service (LGS) Primary</u> - 244, 246	1.48% \$ 89,107	52,670		\$	1.69
<u>LGS Subtransmission/Transmission</u> - 248	0.00% \$ -	0		\$	1.66
<u>Industrial Power (IP) Secondary</u> - 327	0.00% \$ -	0		\$	0.79
<u>Industrial Power (IP) Primary</u> - 322	1.88% \$ 112,851	145,875		\$	0.77
<u>Industrial Power (IP) Subtransmission/Transmission</u> - 323, 324	15.88% \$ 955,229	1,314,816		\$	0.73
<u>Church Service (CS)</u> - 221	1.24% \$ 74,548	9,850,982	0.75676		
<u>Public Schools (PS)</u> - 640, 641, 642	2.78% \$ 166,912	27,413,429	0.60887		
<u>Electric Heating General (EHG)</u> - 208, 209	3.24% \$ 194,654	96,863		\$	2.01
<u>Outdoor Lighting (OL)</u> - 094 - 126	0.97% \$ 58,118	65,663		\$	0.89
<u>(d) Non-Tariff Class (SL)</u>	2.40% \$ 144,380	N/A	N/A	N/A	N/A
<u>Total</u>	100.00% \$ 6,011,424				

(a) Allocation factors derived from Attachment A, Schedule 13, and Attachment C of the Settlement Agreement in Docket No. 16-00001
(b) Excludes Prompt Payment discount per Consumer Advocate Witness Novak's recommendation
(c) 12 months billing determinants from Docket No. 16-00001, Settlement Attachment C, Schedules 1-10
(d) Street Lighting (SL) rates determined by contract

TRP & MS RIDER

In accordance with Tennessee Code Annotated § 65-5-103 (d) (2) (A) (ii) and (iii), Kingsport Power is authorized under the terms of this rider to apply a charge to all customer bills on a service rendered basis to recover actually incurred TRP & MS (Targeted Reliability Plan & Major Storm) Rider costs.

1. Calculation of Targeted Reliability Program and Major Storm Rider Recovery

At least annually the Company will file information regarding actual Targeted Reliability Plan (TRP) costs and Major Storm (MS) expenses. The annual change in the Company's TRP & MS Rider recovery amount shall be calculated according to the following formula:

$$\text{TRP \& MSa} - \text{TRP \& MSr}$$

Where

TRP & MSa is the Company's Targeted Reliability Plan and Major Storm actual costs incurred by the Company for the period. The costs will be net of the reliability expenses and major storm expenses approved in the Company's most recent base case (an annual amount of \$1,295,753). In developing the Targeted Reliability Plan return on capital, the Company will use the most recent base case authorized rate of return.

TRP & MSr is the actual revenues received as a result of TRP & MS Rider rates in effect for the same period.

2. Updates to TRP & MS Rider Costs

TRP & MS Rider rates shall remain in effect until such time as new TRP & MS Rider rates are approved by the Tennessee Public Utility Commission.

3. Determination of Adjustments to Surcharges by Tariff

The Company will adjust the level of revenue recovery (positive or negative) under the TRP & MS Rider by the amount of the Calculation described in Section 1 and any remaining prior period over/under recovery balance. Prior period over/under recovery balances result from differences between the Company's actual costs as calculated in Section 1 and actual billing under the Rider in prior reporting periods. The Company will allocate the revenue requirement to the individual tariff class by application of the revenue allocation factors used in the Company's most recent base case, and will use the appropriate billing determinants, as determined in the Company's most recent base case, to develop the TRP & MS Rider tariff charges.

4. Notification of Change in Charge by the Company

The Company will provide no less than a 30-day notice of the proposed effective date in any change in the Rider charge to its customers. The Company will also provide the calculations and other information supporting the Rider charges to the Staff of the Tennessee Public Utility Commission in advance of the effective date of such charge.

KINGSPORT POWER COMPANY
d/b/a AEP Appalachian Power
Kingsport, Tennessee

Fourth Revised Sheet Number 21-2
T.P.U.C. Tariff Number 2

TRP & MS RIDER

5. Charge

Pursuant to the provisions of this Rider, a TRP & MS Rider charge will be applied to each account under the Company's filed tariffs.

The TRP & MS Rider charge applicable to each tariff is set below:

<u>Tariff</u>	<u>Energy Rate</u>	<u>Demand Rate</u>	<u>Service Charge</u>
	(¢) / kWh	(\$)/ KW or *KVA	(\$)/Customer
<u>Residential</u>			\$3.43
<u>Residential Employee</u>			\$3.43
<u>Residential Time-of-Day</u>			\$3.43
<u>Small General Service (SGS)</u>			\$4.32
<u>Medium General Service (MGS) Secondary</u>		\$2.02	
<u>General Service Time-of-Day (GS-TOD)</u>	0.19695		
<u>Medium General Service (MGS) Primary</u>		\$1.94	
<u>Large General Service (LGS) Secondary*</u>		\$2.18	
<u>Large General Service (LGS) Primary*</u>		\$1.69	
<u>LGS Subtransmission/Transmission*</u>		\$1.66	
<u>Industrial Power (IP) Secondary</u>		\$0.79	
<u>Industrial Power (IP) Primary</u>		\$0.77	
<u>Industrial Power (IP) Subtransmission/Transmission</u>		\$0.73	
<u>Church Service</u>	0.75676		
<u>Public Schools (PS)</u>	0.60887		
<u>Electric Heating General (EHG)**</u>		\$2.01	
<u>Outdoor Lighting (OL)- (per Lamp)</u>			\$0.89

**Demand is measured in accordance with tariff.

Issued:
 By: Christian T. Beam, President

Effective: April 1, 2022
 Pursuant to an Order in
 Docket Number 21-00XXX

KINGSPORT POWER COMPANY

Number 21-1

d/b/a AEP Appalachian Power
Kingsport, Tennessee~~Third-Fourth~~ Revised Sheet

T.P.U.C. Tariff Number 2

TRP & MS RIDER

In accordance with Tennessee Code Annotated § 65-5-103 (d) (2) (A) (ii) and (iii), Kingsport Power is authorized under the terms of this rider to apply a charge to all customer bills on a service rendered basis to recover actually incurred TRP & MS (Targeted Reliability Plan & Major Storm) Rider costs.

1. Calculation of Targeted Reliability Program and Major Storm Rider Recovery

At least annually the Company will file information regarding actual Targeted Reliability Plan (TRP) costs and Major Storm (MS) expenses. The annual change in the Company's TRP & MS Rider recovery amount shall be calculated according to the following formula:

TRP & MSa-TRP & MSr

Where

TRP & MSa is the Company's Targeted Reliability Plan and Major Storm actual costs incurred by the Company for the period. The costs will be net of the reliability expenses and major storm expenses approved in the Company's most recent base case (an annual amount of \$1,295,753). In developing the Targeted Reliability Plan return on capital, the Company will use the most recent base case authorized rate of return.

TRP & MSr is the actual revenues received as a result of TRP & MS Rider rates in effect for the same period.

2. Updates to TRP & MS Rider Costs

TRP & MS Rider rates shall remain in effect until such time as new TRP & MS Rider rates are approved by the Tennessee Public Utility Commission.

3. Determination of Adjustments to Surcharges by Tariff

The Company will adjust the level of revenue recovery (positive or negative) under the TRP & MS Rider by the amount of the Calculation described in Section 1 and any remaining prior period over/under recovery balance. Prior period over/under recovery balances result from differences between the Company's actual costs as calculated in Section 1 and actual billing under the Rider in prior reporting periods. The Company will allocate the revenue requirement to the individual tariff class by application of the revenue allocation factors used in the Company's most recent base case, and will use the appropriate billing determinants, as determined in the Company's most recent base case, to develop the TRP & MS Rider tariff charges.

4. Notification of Change in Charge by the Company

The Company will provide no less than a 30-day notice of the proposed effective date in any change in the Rider charge to its customers. The Company will also provide the calculations and other information supporting the Rider charges to the Staff of the Tennessee Public Utility Commission in advance of the effective date of such charge.

Issued: ~~July 13, 2021~~
~~1, 2022~~

By: Christian T. Beam, President

Effective: ~~August 15~~ April

Pursuant to an Order in
Docket Number ~~210-~~
~~00XXX~~427

KINGSPORT POWER COMPANY
d/b/a AEP Appalachian Power
Kingsport, Tennessee

~~Third~~**Fourth** Revised Sheet Number 21-2
T.P.U.C. Tariff Number 2

TRP & MS RIDER

5. Charge

Pursuant to the provisions of this Rider, a TRP & MS Rider charge will be applied to each account under the Company's filed tariffs.

The TRP & MS Rider charge applicable to each tariff is set below:

<u>Tariff</u>	<u>Energy Rate</u> (¢) / kWh	<u>Demand Rate</u> (\$) / KW or *KVA	<u>Service Charge</u> (\$) /Customer
<u>Residential</u>			\$3.434.84
<u>Residential Employee</u>			\$3.434.84
<u>Residential Time-of-Day</u>			\$3.434.84
<u>Small General Service (SGS)</u>			\$4.326.10
<u>Medium General Service (MGS) Secondary</u>		\$2.0285	
<u>General Service Time-of-Day (GS-TOD)</u>	0.1969527811		
<u>Medium General Service (MGS) Primary</u>		\$1.942.75	
<u>Large General Service (LGS) Secondary*</u>		\$2.183.08	
<u>Large General Service (LGS) Primary*</u>		\$1.692.39	
<u>LGS Subtransmission/Transmission*</u>		\$1.662.34	
<u>Industrial Power (IP) Secondary</u>		\$0.791.12	
<u>Industrial Power (IP) Primary</u>		\$0.771.09	
<u>Industrial Power (IP) Subtransmission/Transmission</u>		\$0.731.03	
<u>Church Service</u>	0.756761.06862		
<u>Public Schools (PS)</u>	0.6088785979		
<u>Electric Heating General (EHG)**</u>		\$2.0184	
<u>Outdoor Lighting (OL)- (per Lamp)</u>			\$0.891.25

**Demand is measured in accordance with tariff.

Issued: ~~July 13, 2021~~
~~1, 2022~~

By: Christian T. Beam, President

Effective: ~~August 15~~**April**

Pursuant to an Order in
Docket Number 210-
00~~XXX~~**127**

KINGSPORT POWER COMPANY

Typical Bill Comparison

			Bill Amount (a)	Bill Amount (a)		
			Under	Under		
			Current Rates	Proposed TRP MS		
Tariff	Energy / Demand		T.P.U.C. Tariff No. 2	T.P.U.C. Tariff No. 2	Dollar	Percent
<u>Schedule</u>	<u>Consumption</u>		<u>Effective 11/1/2021</u>	<u>Effective 04/1/2022</u>	<u>Increase</u>	<u>Increase</u>
			\$	\$	\$	%
RS	100 kWh		25.43	24.02	-1.41	-5.5%
RS	250 kWh		38.38	36.97	-1.41	-3.7%
RS	500 kWh		59.99	58.58	-1.41	-2.4%
RS	750 kWh		81.59	80.18	-1.41	-1.7%
RS	1,000 kWh		103.18	101.77	-1.41	-1.4%
RS	1,500 kWh		146.39	144.98	-1.41	-1.0%
RS	2,000 kWh		189.58	188.17	-1.41	-0.7%
RS	3,000 kWh		275.97	274.56	-1.41	-0.5%
RS	5,000 kWh		448.76	447.35	-1.41	-0.3%
RS	7,500 kWh		664.75	663.34	-1.41	-0.2%
SGS	375 kWh		57.27	55.49	-1.78	-3.1%
SGS	750 kWh		92.41	90.63	-1.78	-1.9%
SGS	1,500 kWh		157.76	155.98	-1.78	-1.1%
SGS	2,000 kWh		201.33	199.55	-1.78	-0.9%
MGS	Secondary	30 kW / 6,000 kWh	834.49	809.59	-24.90	-3.0%
	Secondary	50 kW / 12,500 kWh	1,544.83	1,503.33	-41.50	-2.7%
	Secondary	75 kW / 50,000 kWh	4,560.95	4,498.70	-62.25	-1.4%
MGS	Primary	250 kW / 50,000 kWh	6,516.79	6,314.29	-202.50	-3.1%
	Primary	500 kW / 200,000 kWh	19,657.83	19,252.83	-405.00	-2.1%
LGS	Secondary	150 kW / 30,000 kWh	4,472.01	4,313.61	-158.40	-3.5%
	Secondary	300 kW / 60,000 kWh	8,810.86	8,493.16	-317.70	-3.6%
	Secondary	500 kW / 325,000 kWh	27,983.79	27,454.59	-529.20	-1.9%
LGS	Primary	1000 kW / 200,000 kWh	26,494.29	25,671.09	-823.20	-3.1%
	Primary	1000 kW / 400,000 kWh	37,378.47	36,555.27	-823.20	-2.2%
IP	Sub/Tran	5,000 kW / 2,500,000 kWh	180,451.61	178,951.61	-1,500.00	-0.8%
	Sub/Tran	10,000 kW / 6,500,000 kWh	418,871.47	415,871.47	-3,000.00	-0.7%
	Sub/Tran	20,000 kW / 10,000,000 kWh	710,851.21	704,851.21	-6,000.00	-0.8%
	Sub/Tran	50,000 kW / 25,000,000 kWh	1,771,650.40	1,756,650.40	-15,000.00	-0.8%

(a) Excludes Prompt Payment discount per TPUC approved Settlement Agreement in Docket No. 18-00125