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KPOW-94519

**VIA EMAIL ([tpuc.docketroom@tn.gov](mailto:tpuc.docketroom@tn.gov)) & FEDEX**

Herbert H. Hilliard, Chairman  
c/o Ectory Lawless, Dockets & Records Manager  
Tennessee Public Utility Commission  
502 Deaderick Street, 4th Floor  
Nashville, TN 37243

Re: Petition of Kingsport Power d/b/a AEP Appalachian Power for a  
General Rate Case – Tariff Changes to Fuel and Purchased Power  
Adjustment Rider  
Docket No.: 22-00111

Dear Chairman Hilliard:

On behalf of Kingsport Power Company d/b/a AEP Appalachian Power, we transmit herewith Kingsport Power Company's *Response to Data Requests and Requests for the Production of Documents by the Consumer Advocate Division CA Informal Set 2 to Kingsport Power Company*. The original and four copies are being sent by overnight delivery. Additionally, the Discovery Responses and exhibits thereto will be made available to the intervenors in electronic format via the iManage System.

Very sincerely yours,

**HUNTER, SMITH & DAVIS, LLP**

  
Joseph B. Harvey

Enclosure

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**TENNESSEE PUBLIC UTILITY COMMISSION**  
**PETITION OF**  
**Kingsport Power Company**  
**DOCKET NO. TPUC 22-00111**  
**Data Requests and Requests for the Production**  
**of Documents by the CONSUMER ADVOCATE DIVISION**  
**CA Informal Set 2**  
**To Kingsport Power Company**

**Data Request CA Informal 2-1:**

Refer to the Company's response to the Consumer Advocate's DR No. 1-4 regarding the NER adjustment of \$3,953 included on the "Schedule 1" tab of the "2022 Schedule 1-3 Recovery, Forecast and Rate Design Final - no links" spreadsheet provided with the Company's filing. Specifically refer to Cell I50 of the "revised" tab of this spreadsheet, which shows a revised total power cost charge of \$9,531,149 for September 2021. Next, refer to Cell AA82 of the "Schedule 1" tab of the "2022 Schedule 1-3 Recovery, Forecast and Rate Design Final - no links" spreadsheet, which also shows \$9,531,149 in power costs for September 2021. Given that both of these amounts are equal (i.e., have already been adjusted to reflect the corrected power costs), explain the Company's rationale for including the \$3,953 NER adjustment in Cell AC95 of this same spreadsheet.

**Response CA Informal 2-1:**

The \$3,953 was an adjustment made to the September 2021 billing. It was discovered that we had used the wrong fuel rate and the error was corrected in October 2021. The corrected amount of the September 2021 billing was \$9,531,149.

**TENNESSEE PUBLIC UTILITY COMMISSION**  
**PETITION OF**  
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**of Documents by the CONSUMER ADVOCATE DIVISION**  
**CA Informal Set 2**  
**To Kingsport Power Company**

**Data Request CA Informal 2-2:**

Refer to the Company's response to the Consumer Advocate's DR No. 1-7 regarding estimated billings. Provide the following information related to the Company's estimated billing calculations:

- (a) Identify the specific customer accounts that are being estimated;
- (b) Provide a narrative description as to why it is necessary to estimate certain accounts rather than using actual meter read billings; and
- (c) Provide a narrative description of the Company's process for estimating customer billings.

**Response CA Informal 2-2:**

- (a) Please see CA Informal Set 2 - 2A Attachment 1, which provides the specific customer accounts that are being estimated.
- (b) Please see CA Informal Set 2 - 2B 2C Narrative for a description of the Company's Estimated Billed Revenue process.
- (c) Please see CA Informal Set 2 - 2B 2C Narrative for a description of the Company's process for estimating customer billings.

**TENNESSEE PUBLIC UTILITY COMMISSION**  
**PETITION OF**  
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**of Documents by the CONSUMER ADVOCATE DIVISION**  
**CA Informal Set 2**  
**To Kingsport Power Company**

**Data Request CA Informal 2-3:**

Refer to the Company's response to the Consumer Advocate's DR No. 1-11 regarding the "Over/Under Recovery JE Support" and the "Journal Entry Detail Reports" for September 2021 through August 2022. We are having difficulty reconciling these reports with the net "(Under)/Over" calculation (Column AC) for these same months shown on the "Schedule 1" tab of the "2022 Schedule 1-3 Recovery, Forecast and Rate Design Final - no links" spreadsheet provided with the Company's filing. Specifically, we note the following discrepancies. Reconcile the difference between these amounts for September 2021 through August 2022 and provide a narrative explanation of the reconciliation process.

Month	Over/Under Recovery Reports				Company Filing - Schedule 1			Difference
	Report 1	Report 2	Report 3	Total	Over/Under	Adjustment	Total	
September 2021	\$758,809	\$4,308,148	\$128,576	\$5,195,533	\$762,762	\$3,953	\$766,715	\$4,428,818
October	1,305,728	-3,953		1,301,776	1,305,728		1,305,728	-3,953
November	4,308,148			4,308,148	4,452,466		4,452,466	-144,319
December	4,052,348			4,052,348	3,746,665		3,746,665	305,683
January 2022	4,480,657			4,480,657	-4,872,481		-4,872,481	9,353,138
February	2,259,849			2,259,849	940,229		940,229	1,319,619
March	86,540			86,540	3,403,254		3,403,254	-3,316,714
April	3,108,691			3,108,691	3,307,745		3,307,745	-199,054
May	3,696,403			3,696,403	4,086,142		4,086,142	-389,739
June	5,051,982			5,051,982	5,424,523		5,424,523	-372,541
July	5,589,149			5,589,149	6,274,037		6,274,037	-684,888
August	1,646,223	128,660		1,774,883	128,660		128,660	1,646,223
Total	\$36,344,526	\$4,432,855	\$128,576	\$40,905,957	\$28,959,732	\$3,953	\$28,963,684	\$11,942,273

**Response CA Informal 2-3:**

See CA Informal 2-3 Attachment 1 for a reconciliation between the tables.



**TENNESSEE PUBLIC UTILITY COMMISSION**  
**PETITION OF**  
**Kingsport Power Company**  
**DOCKET NO. TPUC 22-00111**  
**Data Requests and Requests for the Production**  
**of Documents by the CONSUMER ADVOCATE DIVISION**  
**CA Informal Set 2**  
**To Kingsport Power Company**

**Data Request CA Informal 2-4:**

Refer to the Company's response to the Consumer Advocate's DR No. 1-12 that contains the Company's monthly trial balance from September 2021 to August 2022. We are unable to reconcile the amounts from the Company's monthly power bills from Appalachian Power Company to Kingsport Power Company with the trial balance for "Account 5550027 Non-Fuel" and "Account 5550046 Fuel" as shown in the table below and Reconcile the difference between these amounts for September 2021 through August 2022 and provide a narrative explanation of the reconciliation process.

Item	Power Bill Calculations		Trial Balance		
	Account 5550027 Non-Fuel	Account 5550046 Fuel	Account 5550027 Non-Fuel	Account 5550046 Fuel	Account 5550551 Over/Under
September 2021	\$6,444,118	\$3,087,031	-16,055,506	-5,822,865	-6,385,948
October	5,987,139	3,770,937	-10,068,367	-2,047,976	-7,695,629
November - Rev	7,162,847	7,280,171	-2,992,086	5,158,649	-12,003,776
December	6,449,351	8,224,379	3,214,574	13,045,314	-16,056,125
January 2022	4,798,350	5,603,009	-77,077,955	-41,811,192	15,020,645
February	7,805,650	4,961,876	-69,272,305	-36,849,316	12,760,796
March	7,694,833	5,325,448	-61,577,472	-31,038,798	12,189,186
April	6,829,873	5,449,666	-54,862,727	-25,673,058	9,080,495
May	6,878,180	7,141,906	-48,191,334	-18,714,105	5,384,092
June	7,141,764	9,675,618	-41,208,713	-9,251,885	332,111
July	7,122,850	10,318,606	-34,379,592	675,563	-5,257,038
August	5,855,365	6,215,790	-27,749,440	7,762,788	-7,031,922

**Response CA Informal 2-4:**

For income statement accounts like Account 5550027, the Company provided monthly trial balance is an accumulation of monthly activity for each year. The trial balance starts over at zero on January 1 of each year for income statement accounts and accumulates charges/credits throughout the year.

Revn Year Mnth Dt	Company	Premise	Tariff	Rev Class	kWh	Est. Rev
202111	KGPT	013-766-180	240	211	491,637	50,387
202111	KGPT	019-614-260	324	221	4,027,500	260,270
202201	KGPT	012-140-260	322	221	2,152,000	146,361
202201	KGPT	013-766-180	240	211	465,064	47,551
202201	KGPT	013-815-260	324	221	26,914,694	1,773,602
202202	KGPT	012-140-260	322	221	2,169,677	147,538
202203	KGPT	015-914-260	324	221	1,983,159	140,644
202203	KGPT	018-950-179	324	221	20,500,000	1,332,500
202203	KGPT	019-614-260	324	221	2,946,793	230,102
202205	KGPT	012-140-260	322	221	1,859,827	130,342
202205	KGPT	015-214-219	244	221	7,000	6,170
202205	KGPT	018-950-179	324	221	17,923,000	1,110,237
202206	KGPT	010-715-260	324	221	25,012,235	1,531,577
202206	KGPT	013-766-180	240	211	599,816	50,984
202206	KGPT	015-914-260	324	221	1,458,313	110,622
202206	KGPT	019-614-260	324	221	3,682,887	256,969
202207	KGPT	012-140-260	322	221	2,017,649	139,420
202207	KGPT	015-641-260	322	211	3,119,840	219,719
202207	KGPT	019-614-260	324	221	6,596,960	397,624
202208	KGPT	010-715-260	324	221	22,652,285	1,411,956
202208	KGPT	015-914-260	324	221	2,374,687	164,812
202208	KGPT	019-614-260	324	221	5,526,783	411,261

**154,481,806    10,070,648**

Revn Year Mnth Dt	Values	
	Sum of Revn Amt	Sum of Mtrd Kwh
202111	\$ 310,657.00	4,519,137
202201	\$ 1,967,514.00	29,531,758
202202	\$ 147,538.00	2,169,677
202203	\$ 1,703,246.00	25,429,952
202205	\$ 1,246,749.00	19,789,827
202206	\$ 1,950,152.00	30,753,251
202207	\$ 756,763.00	11,734,449
202208	\$ 1,988,029.00	30,553,755
<b>Grand Total</b>	<b>\$ 10,070,648.00</b>	<b>154,481,806</b>



Co Cd	Revn Year Mnth Dt	Jursd	Revn Class Cd	Tariff Cd	Revn Amt	Fuel Clause Amt	Mtrd Kwh	Cust Counter
01	202111	TN	211	240	50,387	0	491,637	1
01	202111	TN	221	324	260,270	0	4,027,500	1
01	202201	TN	221	324	1,773,602	0	26,914,694	1
01	202201	TN	211	240	47,551	0	465,064	1
01	202201	TN	221	322	146,361	0	2,152,000	1
01	202202	TN	221	322	147,538	0	2,169,677	1
01	202203	TN	221	324	1,703,246	0	25,429,952	3
01	202205	TN	221	322	130,342	0	1,859,827	1
01	202205	TN	221	324	1,110,237	0	17,923,000	1
01	202205	TN	221	244	6,170	0	7,000	1
01	202206	TN	211	240	50,984	0	599,816	1
01	202206	TN	221	324	1,899,168	0	30,153,435	3
01	202207	TN	211	322	219,719	0	3,119,840	1
01	202207	TN	221	322	139,420	0	2,017,649	1
01	202207	TN	221	324	397,624	0	6,596,960	1
01	202208	TN	221	324	1,988,029	0	30,553,755	3
Overall - Total					10,070,648 0		154,481,806	22

Line Descr MACSS ESTIMATED BILLED REVENUE

Sum of Amount Year	Period	Account 1420044	4420001	4420002	Grand Total
2,021		11 \$ 310,657.00	\$ (50,387.00)	\$ (260,270.00)	\$ -
2,022		1 \$ 1,967,514.00	\$ (47,551.00)	\$ (1,919,963.00)	\$ -
		2 \$ 147,538.00		\$ (147,538.00)	\$ -
		3 \$ 1,703,246.00		\$ (1,703,246.00)	\$ -
		5 \$ 1,246,749.00		\$ (1,246,749.00)	\$ -
		6 \$ 1,950,152.00	\$ (50,984.00)	\$ (1,899,168.00)	\$ -
		7 \$ 756,763.00	\$ (219,719.00)	\$ (537,044.00)	\$ -
		8 \$ 1,988,029.00		\$ (1,988,029.00)	\$ -
Grand Total		\$ 10,070,648.00	\$ (368,641.00)	\$ (9,702,007.00)	\$ -

Line Descr MACSS EST BILLED REV REVERSAL

Sum of Amount Year	Period	Account 1420044	4420001	4420002	Grand Total
2,021		12 \$ (310,657.00)	\$ 50,387.00	\$ 260,270.00	\$ -
2,022		2 \$ (1,967,514.00)	\$ 47,551.00	\$ 1,919,963.00	\$ -
		3 \$ (147,538.00)		\$ 147,538.00	\$ -
		4 \$ (1,703,246.00)		\$ 1,703,246.00	\$ -
		6 \$ (1,246,749.00)		\$ 1,246,749.00	\$ -
		7 \$ (1,950,152.00)	\$ 50,984.00	\$ 1,899,168.00	\$ -
		8 \$ (756,763.00)	\$ 219,719.00	\$ 537,044.00	\$ -
		9 \$ (1,988,029.00)		\$ 1,988,029.00	\$ -
Grand Total		\$ (10,070,648.00)	\$ 368,641.00	\$ 9,702,007.00	\$ -

BU	BU Descr	Account	Amount	Date	Journal ID	Ledger Grp	Status	State/Jur	Line Descr	User	Post Date	Reversal	Date	Stat	Stat Amt	Period	Year
230	Kingsport Power Co - Dist 1420044		310,657.00	2021-11-30	CAD3713528	ACTUALS	Posted	TN	MACSS ESTIMATED BILLED REVENUE	GLBATCH	2021-12-02	N			0.00	11	2,021
230	Kingsport Power Co - Dist 4420001		-50,387.00	2021-11-30	CAD3713528	ACTUALS	Posted	TN	MACSS ESTIMATED BILLED REVENUE	GLBATCH	2021-12-02	N		KWH	-491,637.00	11	2,021
230	Kingsport Power Co - Dist 4420001		0.00	2021-11-30	CAD3713528	ACTUALS	Posted	TN	MACSS ESTIMATED BILLED REVENUE	GLBATCH	2021-12-02	N		CUS	1.00	11	2,021
230	Kingsport Power Co - Dist 4420002		-260,270.00	2021-11-30	CAD3713528	ACTUALS	Posted	TN	MACSS ESTIMATED BILLED REVENUE	GLBATCH	2021-12-02	N		KWH	-4,027,500.00	11	2,021
230	Kingsport Power Co - Dist 4420002		0.00	2021-11-30	CAD3713528	ACTUALS	Posted	TN	MACSS ESTIMATED BILLED REVENUE	GLBATCH	2021-12-02	N		CUS	1.00	11	2,021
230	Kingsport Power Co - Dist 1420044		-310,657.00	2021-12-01	CAD37R3539	ACTUALS	Posted	TN	MACSS EST BILLED REV REVERSAL	GLBATCH	2021-12-02	N			0.00	12	2,021
230	Kingsport Power Co - Dist 4420001		0.00	2021-12-01	CAD37R3539	ACTUALS	Posted	TN	MACSS EST BILLED REV REVERSAL	GLBATCH	2021-12-02	N		CUS	-1.00	12	2,021
230	Kingsport Power Co - Dist 4420001		50,387.00	2021-12-01	CAD37R3539	ACTUALS	Posted	TN	MACSS EST BILLED REV REVERSAL	GLBATCH	2021-12-02	N		KWH	491,637.00	12	2,021
230	Kingsport Power Co - Dist 4420002		0.00	2021-12-01	CAD37R3539	ACTUALS	Posted	TN	MACSS EST BILLED REV REVERSAL	GLBATCH	2021-12-02	N		CUS	-1.00	12	2,021
230	Kingsport Power Co - Dist 4420002		260,270.00	2021-12-01	CAD37R3539	ACTUALS	Posted	TN	MACSS EST BILLED REV REVERSAL	GLBATCH	2021-12-02	N		KWH	4,027,500.00	12	2,021
230	Kingsport Power Co - Dist 1420044		1,967,514.00	2022-01-31	CAD3751352	ACTUALS	Posted	TN	MACSS ESTIMATED BILLED REVENUE	GLBATCH	2022-02-03	N			0.00	1	2,022
230	Kingsport Power Co - Dist 4420001		-47,551.00	2022-01-31	CAD3751352	ACTUALS	Posted	TN	MACSS ESTIMATED BILLED REVENUE	GLBATCH	2022-02-03	N		KWH	-465,064.00	1	2,022
230	Kingsport Power Co - Dist 4420001		0.00	2022-01-31	CAD3751352	ACTUALS	Posted	TN	MACSS ESTIMATED BILLED REVENUE	GLBATCH	2022-02-03	N		CUS	1.00	1	2,022
230	Kingsport Power Co - Dist 4420002		-1,919,963.00	2022-01-31	CAD3751352	ACTUALS	Posted	TN	MACSS ESTIMATED BILLED REVENUE	GLBATCH	2022-02-03	N		KWH	-29,066,694.00	1	2,022
230	Kingsport Power Co - Dist 1420044		1,967,514.00	2022-02-01	CAD37R1363	ACTUALS	Posted	TN	MACSS EST BILLED REV REVERSAL	GLBATCH	2022-02-03	N		CUS	2.00	1	2,022
230	Kingsport Power Co - Dist 4420001		0.00	2022-02-01	CAD37R1363	ACTUALS	Posted	TN	MACSS EST BILLED REV REVERSAL	GLBATCH	2022-02-03	N		CUS	-1.00	2	2,022
230	Kingsport Power Co - Dist 4420001		47,551.00	2022-02-01	CAD37R1363	ACTUALS	Posted	TN	MACSS EST BILLED REV REVERSAL	GLBATCH	2022-02-03	N		KWH	465,064.00	2	2,022
230	Kingsport Power Co - Dist 4420002		0.00	2022-02-01	CAD37R1363	ACTUALS	Posted	TN	MACSS EST BILLED REV REVERSAL	GLBATCH	2022-02-03	N		CUS	-2.00	2	2,022
230	Kingsport Power Co - Dist 4420002		1,919,963.00	2022-02-01	CAD37R1363	ACTUALS	Posted	TN	MACSS EST BILLED REV REVERSAL	GLBATCH	2022-02-03	N		KWH	29,066,694.00	2	2,022
230	Kingsport Power Co - Dist 1420044		147,538.00	2022-02-28	CAD3767845	ACTUALS	Posted	TN	MACSS ESTIMATED BILLED REVENUE	GLBATCH	2022-03-02	N			0.00	2	2,022
230	Kingsport Power Co - Dist 4420002		-147,538.00	2022-02-28	CAD3767845	ACTUALS	Posted	TN	MACSS ESTIMATED BILLED REVENUE	GLBATCH	2022-03-02	N		KWH	-2,169,677.00	2	2,022
230	Kingsport Power Co - Dist 4420002		0.00	2022-02-28	CAD3767845	ACTUALS	Posted	TN	MACSS ESTIMATED BILLED REVENUE	GLBATCH	2022-03-02	N		CUS	1.00	2	2,022
230	Kingsport Power Co - Dist 1420044		-147,538.00	2022-03-01	CAD37R7856	ACTUALS	Posted	TN	MACSS EST BILLED REV REVERSAL	GLBATCH	2022-03-02	N		CUS	0.00	3	2,022
230	Kingsport Power Co - Dist 4420002		0.00	2022-03-01	CAD37R7856	ACTUALS	Posted	TN	MACSS EST BILLED REV REVERSAL	GLBATCH	2022-03-02	N		CUS	-1.00	3	2,022
230	Kingsport Power Co - Dist 4420002		147,538.00	2022-03-01	CAD37R7856	ACTUALS	Posted	TN	MACSS EST BILLED REV REVERSAL	GLBATCH	2022-03-02	N		KWH	2,169,677.00	3	2,022
230	Kingsport Power Co - Dist 1420044		1,703,246.00	2022-03-31	CAD3787146	ACTUALS	Posted	TN	MACSS ESTIMATED BILLED REVENUE	GLBATCH	2022-04-02	N			0.00	3	2,022
230	Kingsport Power Co - Dist 4420002		-1,703,246.00	2022-03-31	CAD3787146	ACTUALS	Posted	TN	MACSS ESTIMATED BILLED REVENUE	GLBATCH	2022-04-02	N		KWH	-25,429,952.00	3	2,022
230	Kingsport Power Co - Dist 4420002		0.00	2022-03-31	CAD3787146	ACTUALS	Posted	TN	MACSS ESTIMATED BILLED REVENUE	GLBATCH	2022-04-02	N		CUS	3.00	3	2,022
230	Kingsport Power Co - Dist 1420044		-1,703,246.00	2022-04-01	CAD37R7157	ACTUALS	Posted	TN	MACSS EST BILLED REV REVERSAL	GLBATCH	2022-04-02	N			0.00	4	2,022
230	Kingsport Power Co - Dist 4420002		0.00	2022-04-01	CAD37R7157	ACTUALS	Posted	TN	MACSS EST BILLED REV REVERSAL	GLBATCH	2022-04-02	N		CUS	-3.00	4	2,022
230	Kingsport Power Co - Dist 4420002		1,703,246.00	2022-04-01	CAD37R7157	ACTUALS	Posted	TN	MACSS EST BILLED REV REVERSAL	GLBATCH	2022-04-02	N		KWH	25,429,952.00	4	2,022
230	Kingsport Power Co - Dist 1420044		1,246,749.00	2022-05-31	CAD3723990	ACTUALS	Posted	TN	MACSS ESTIMATED BILLED REVENUE	GLBATCH	2022-06-02	N			0.00	5	2,022
230	Kingsport Power Co - Dist 4420002		-1,246,749.00	2022-05-31	CAD3723990	ACTUALS	Posted	TN	MACSS ESTIMATED BILLED REVENUE	GLBATCH	2022-06-02	N		KWH	-19,789,827.00	5	2,022
230	Kingsport Power Co - Dist 4420002		0.00	2022-05-31	CAD3723990	ACTUALS	Posted	TN	MACSS ESTIMATED BILLED REVENUE	GLBATCH	2022-06-02	N		CUS	3.00	5	2,022
230	Kingsport Power Co - Dist 1420044		-1,246,749.00	2022-06-01	CAD37R4001	ACTUALS	Posted	TN	MACSS EST BILLED REV REVERSAL	GLBATCH	2022-06-02	N			0.00	6	2,022
230	Kingsport Power Co - Dist 4420002		0.00	2022-06-01	CAD37R4001	ACTUALS	Posted	TN	MACSS EST BILLED REV REVERSAL	GLBATCH	2022-06-02	N		CUS	-3.00	6	2,022
230	Kingsport Power Co - Dist 4420002		1,246,749.00	2022-06-01	CAD37R4001	ACTUALS	Posted	TN	MACSS EST BILLED REV REVERSAL	GLBATCH	2022-06-02	N		KWH	19,789,827.00	6	2,022
230	Kingsport Power Co - Dist 1420044		1,950,152.00	2022-06-30	CAD3741410	ACTUALS	Posted	TN	MACSS ESTIMATED BILLED REVENUE	GLBATCH	2022-07-02	N			0.00	6	2,022
230	Kingsport Power Co - Dist 4420001		-50,984.00	2022-06-30	CAD3741410	ACTUALS	Posted	TN	MACSS ESTIMATED BILLED REVENUE	GLBATCH	2022-07-02	N		KWH	-599,816.00	6	2,022
230	Kingsport Power Co - Dist 4420001		0.00	2022-06-30	CAD3741410	ACTUALS	Posted	TN	MACSS ESTIMATED BILLED REVENUE	GLBATCH	2022-07-02	N		CUS	1.00	6	2,022
230	Kingsport Power Co - Dist 4420002		-1,899,168.00	2022-06-30	CAD3741410	ACTUALS	Posted	TN	MACSS ESTIMATED BILLED REVENUE	GLBATCH	2022-07-02	N		KWH	-30,153,435.00	6	2,022
230	Kingsport Power Co - Dist 1420044		0.00	2022-06-30	CAD3741410	ACTUALS	Posted	TN	MACSS ESTIMATED BILLED REVENUE	GLBATCH	2022-07-02	N		CUS	3.00	6	2,022
230	Kingsport Power Co - Dist 4420001		-1,950,152.00	2022-07-01	CAD37R1421	ACTUALS	Posted	TN	MACSS EST BILLED REV REVERSAL	GLBATCH	2022-07-02	N			0.00	7	2,022
230	Kingsport Power Co - Dist 4420001		0.00	2022-07-01	CAD37R1421	ACTUALS	Posted	TN	MACSS EST BILLED REV REVERSAL	GLBATCH	2022-07-02	N		CUS	-1.00	7	2,022
230	Kingsport Power Co - Dist 4420001		50,984.00	2022-07-01	CAD37R1421	ACTUALS	Posted	TN	MACSS EST BILLED REV REVERSAL	GLBATCH	2022-07-02	N		KWH	599,816.00	7	2,022
230	Kingsport Power Co - Dist 4420002		0.00	2022-07-01	CAD37R1421	ACTUALS	Posted	TN	MACSS EST BILLED REV REVERSAL	GLBATCH	2022-07-02	N		CUS	-3.00	7	2,022
230	Kingsport Power Co - Dist 4420002		1,899,168.00	2022-07-01	CAD37R1421	ACTUALS	Posted	TN	MACSS EST BILLED REV REVERSAL	GLBATCH	2022-07-02	N		KWH	30,153,435.00	7	2,022
230	Kingsport Power Co - Dist 1420044		756,763.00	2022-07-31	CAD3759768	ACTUALS	Posted	TN	MACSS ESTIMATED BILLED REVENUE	GLBATCH	2022-08-02	N			0.00	7	2,022
230	Kingsport Power Co - Dist 4420001		-219,719.00	2022-07-31	CAD3759768	ACTUALS	Posted	TN	MACSS ESTIMATED BILLED REVENUE	GLBATCH	2022-08-02	N		KWH	-3,119,840.00	7	2,022
230	Kingsport Power Co - Dist 4420001		0.00	2022-07-31	CAD3759768	ACTUALS	Posted	TN	MACSS ESTIMATED BILLED REVENUE	GLBATCH	2022-08-02	N		CUS	1.00	7	2,022
230	Kingsport Power Co - Dist 4420002		-537,044.00	2022-07-31	CAD3759768	ACTUALS	Posted	TN	MACSS ESTIMATED BILLED REVENUE	GLBATCH	2022-08-02	N		KWH	-8,614,609.00	7	2,022
230	Kingsport Power Co - Dist 1420044		756,763.00	2022-08-01	CAD37R9787	ACTUALS	Posted	TN	MACSS EST BILLED REV REVERSAL	GLBATCH	2022-08-02	N			0.00	8	2,022
230	Kingsport Power Co - Dist 4420001		0.00	2022-08-01	CAD37R9787	ACTUALS	Posted	TN	MACSS EST BILLED REV REVERSAL	GLBATCH	2022-08-02	N		CUS	-1.00	8	2,022
230	Kingsport Power Co - Dist 4420001		219,719.00	2022-08-01	CAD37R9787	ACTUALS	Posted	TN	MACSS EST BILLED REV REVERSAL	GLBATCH	2022-08-02	N		KWH	3,119,840.00	8	2,022
230	Kingsport Power Co - Dist 4420002		0.00	2022-08-01	CAD37R9787	ACTUALS	Posted	TN	MACSS EST BILLED REV REVERSAL	GLBATCH	2022-08-02	N		CUS	-2.00	8	2,022
230	Kingsport Power Co - Dist 1420044		537,044.00	2022-08-01	CAD37R9787	ACTUALS	Posted	TN	MACSS EST BILLED REV REVERSAL	GLBATCH	2022-08-02	N		KWH	8,614,609.00	8	2,022
230	Kingsport Power Co - Dist 4420002		1,988,029.00	2022-08-31	CAD3779084	ACTUALS	Posted	TN	MACSS ESTIMATED BILLED REVENUE	GLBATCH	2022-09-02	N			0.00	8	2,022
230	Kingsport Power Co - Dist 4420002		-1,988,029.00	2022-08-31	CAD3779084	ACTUALS	Posted	TN	MACSS ESTIMATED BILLED REVENUE	GLBATCH	2022-09-02	N		KWH	-30,553,755.00	8	2,022
230	Kingsport Power Co - Dist 4420002		0.00	2022-08-31	CAD3779084	ACTUALS	Posted	TN	MACSS ESTIMATED BILLED REVENUE	GLBATCH	2022-09-02	N		CUS	3.00	8	2,022

BU	BU Descr	Account	Amount	Date	Journal ID	Ledger Grp	Status	State/Jur Isdict	Line Descr	User	Post Date	Reversal	Date	Stat	Stat Amt	Period	Year
230	Kingsport Power Co - Dist 1420044		-1,988,029.00	2022-09-01	CAD37R9074	ACTUALS	Posted		MACSS EST BILLED REV REVERSAL	GLBATCH	2022-09-02	N			0.00	9	2,022
230	Kingsport Power Co - Dist 4420002		0.00	2022-09-01	CAD37R9074	ACTUALS	Posted	TN	MACSS EST BILLED REV REVERSAL	GLBATCH	2022-09-02	N		CUS	-3.00	9	2,022
230	Kingsport Power Co - Dist 4420002		1,988,029.00	2022-09-01	CAD37R9074	ACTUALS	Posted	TN	MACSS EST BILLED REV REVERSAL	GLBATCH	2022-09-02	N		KWH	30,553,755.00	9	2,022



### **Walkthrough of Estimated Billed Revenue Process**

The purpose of the estimated accrual (based on the revenue recognition principle) is to reflect revenue in the accounting period in which it was earned, rather than the period in which it is billed.

The estimated billed revenue process is a calculation that analyses large commercial and industrial (LC&I) accounts in cycles 20, 21 and the contractual calendar month cycles (30, 31, 32 and 33) with a scheduled bill to date in the current accounting period that do not bill by the end of the MACSS scheduled close of the billed revenue month on workday 1.

This calculation results in system generated, auto-posting accounting entries in the current period. The system simultaneously generates auto-posting reversing journal entries in the following accounting period. Estimated customer accounts are billed in the following accounting period using actual meter read data once all input is available.

#### **Description of the Procedure for estimating customer billings:**

Review system reports: On the morning of workday 2, Revenue Accounting obtains an electronic copy of the MACSS System generated Delinquent Bill Trigger Report (DBTR). The DBTR reflects all LC&I accounts that had a scheduled bill to date in the current accounting period but did not bill by the end of workday 1. Revenue Accounting uses data from the DBTR to create a control sheet to arrive at the number of LC&I accounts that are expected to be included in the estimated billed data for the month.

Prepare forecasts: Economic Forecasting (Tulsa) prepares kWh and revenue forecasts for all LC&I accounts scheduled in Cycle 20 and greater by the end of the month and loads them into a database.

MACSS Extract of "not billed" accounts: The morning of the second workday, Economic Forecasting receives an extract of applicable LC&I accounts that had not billed up through the first workday. This query is reconciled with accounts in the database to be sure all accounts are accounted for.

Compute Estimated Billings: Economic Forecasting runs a program against the database to price the forecasted kWh for the not-billed accounts and generates a CSV output file. The output file contains the estimated revenues, applicable fuel, and kWh by customer premise number, which is e-mailed to Revenue Accounting for review.

Revenue Accounting Review: The output file is converted to an Excel spreadsheet and a review is performed to specific conditions as recommended by Internal Audits including matching data to the control sheet, reviewing for duplicates account listings, and evaluating the estimated calculation for overall reasonableness. Upon completion of the review, Revenue Accounting creates a help desk ticket requesting job kickoff and submits the final csv file in an e-mail to MACSS Revenue IT Support as notification to process estimated billed revenues. The converted excel file is then used to subtotal each jurisdiction by revenue class; a copy is provided to the Revenue Manager and to each Revenue Accounting team member for further review and used as journal entry support.

MACSS Processing: Once the MACSS Revenue IT Support receives the csv file, it is loaded into the TRIAD system and processed to provide estimated billed revenue reports. Actual customers' account balances are not impacted by the estimates. Only the TRIAD revenue reports reflect these estimates. Journal entries are automatically prepared by the MACSS system during this process.



After the process completes TRIAD estimated revenue reports are generated. Revenue Accounting verifies that the current month reported estimated total revenue for each jurisdiction matches the excel output file from Economic Forecasting. Additional verification is performed to agree the kWh and customers count by jurisdiction and revenue class back to the spreadsheets. Each company's closing workpapers are updated with estimated data to verify the net estimated and billed plus estimated reports.

Record Journal Entries: The spreadsheets distributed to the appropriate Revenue Accounting employees are used in verifying the MACSS estimated billed revenue reports. On workday 3, MACSS System generated, auto-posting journal entries are created (CAD37xxx) to record the estimated revenue to the following accounts, as appropriate for each jurisdiction:

DR 1420044 -- Customer A/R Estimated	XXX	
CR 4420001 -- Commercial Sales		XXX
CR 4420002 -- Industrial Sales (Excluding Mines)		XXX
CR 4420004 -- Industrial Sales (Mines)		XXX
CR 4420006 -- Sales to Public Authorities (Excluding Schools)		XXX
CR 4420007 -- Sales to Public Authorities (Schools)		XXX
CR 4440000 -- Public Street & Highway Lighting		XXX
CR 4450001 -- Other Sales to Public Authorities (Schools)		XXX
CR 4450002 -- Other Sales to Public Authorities (Excluding Schools)		XXX
CR 4470027 -- Sales for Resale (Wholesale\Municipal\PA)		XXX

The system also generates auto-posting reversing entries at the same time. The reversing journal entries are assigned a journal ID of CAD37RXXX. Revenue Accounting staff agree the journal entries to TRIAD estimated billed reports.

In addition to recording revenue, estimated kWh sold and the numbers of customers are also recorded in the general ledger. These statistics are agreed to the input file.

Exhibit						
	Rider Rev	Backup Rev	Total Rev	King Bill	Over Under	ADJ
Sep-21	8,738,877	29,510	8,768,387	9,531,149	(762,762)	3,953
Oct-21	8,422,837	29,510	8,452,347	9,758,075	(1,305,728)	(1,305,728)
Nov-21	9,961,612	28,940	9,990,552	14,443,018	(4,452,466)	(4,452,466)
Dec-21	10,898,124	28,940	10,927,064	14,673,729	(3,746,666)	(3,746,666)
Jan-22	15,244,900	28,940	15,273,840	10,401,359	4,872,481	4,872,481
Feb-22	11,798,357	28,940	11,827,297	12,767,527	(940,230)	(940,230)
Mar-22	9,588,087	28,940	9,617,027	13,020,280	(3,403,253)	(3,403,253)
Apr-22	8,942,854	28,940	8,971,794	12,279,539	(3,307,745)	(3,307,745)
May-22	9,905,003	28,940	9,933,943	14,020,086	(4,086,142)	(4,086,142)
Jun-22	11,363,919	28,940	11,392,859	16,817,382	(5,424,523)	(5,424,523)
Jul-22	11,138,480	28,940	11,167,420	17,441,457	(6,274,037)	(6,274,037)
Aug-22	11,913,554	28,940	11,942,494	12,071,154	(128,660)	(128,660)

Ledger						
	Rider Rev	Backup Rev	Total Rev	King Bill	Over Under	ADJ
Sep-21	8,738,877	29,510	8,768,387	9,531,149	(762,762)	(762,762)
Oct-21	8,422,837	29,510	8,452,347	9,758,075	(1,305,728)	(1,305,728)
Nov-21	9,945,819	28,940	9,974,759	14,282,906	(4,308,148)	(4,308,148)
Dec-21	10,012,037	28,940	10,040,977	14,093,325	(4,052,348)	(4,052,348)
Jan-22	14,149,686	28,940	14,178,626	9,697,970	4,480,657	4,480,657
Feb-22	10,478,738	28,940	10,507,678	12,767,527	(2,259,849)	(2,259,849)
Mar-22	12,904,800	28,940	12,933,740	13,020,280	(86,540)	(86,540)
Apr-22	8,942,854	28,940	8,971,794	12,080,485	(3,108,691)	(3,108,691)
May-22	9,905,003	28,940	9,933,943	13,630,347	(3,696,403)	(3,696,403)
Jun-22	11,363,919	28,940	11,392,859	16,444,840	(5,051,981)	(5,051,981)
Jul-22	11,138,480	28,940	11,167,420	16,756,569	(5,589,149)	(5,589,149)
Aug-22	11,913,554	28,940	11,942,494	12,071,154	(128,660)	(128,660)

Variance						
Sep-21	0	0	0	(0)	0	3,953
Oct-21	0	0	0	(0)	0	0
Nov-21	15,793	0	15,793	160,112	0	(144,319)
Dec-21	886,087	0	886,087	580,404	0	305,683
Jan-22	1,095,214	0	1,095,214	703,390	0	391,824
Feb-22	1,319,619	0	1,319,619	(0)	0	1,319,619
Mar-22	(3,316,713)	0	(3,316,713)	(0)	0	(3,316,713)
Apr-22	(0)	0	(0)	199,054	0	(199,054)
May-22	(0)	0	(0)	389,739	0	(389,739)
Jun-22	(0)	0	(0)	372,541	0	(372,541)
Jul-22	0	0	0	684,888	0	(684,888)
Aug-22	(0)	0	(0)	0	0	(0)

The corrections of these revenues were corrected in March 2022. The filing has the revenue in the correct period when the ledger has it as it was recorded.

These three items are offset by the adjusting entries we made to the ledger in March 2022 (\$485K) and September 2022 (\$958K)

These four months were corrected in the ledger in August 2022. The filing had the corrected information.

Year	Period	Unit	Account	Affiliate	Amount	
2,021	9 230		5550551		9,204.17	Adj Over/ under
2,021	9 230		5550551		(758,809.13)	RATE CASE OVER/UNDER
2,021	9 230		5550551		(128,576.00)	Adj for BAE Reliab Serv
2,021	10 230		5550551		(3,952.77)	Adj Over/ under
2,021	10 230		5550551		(1,305,728.28)	RATE CASE OVER/UNDER
2,021	11 230		5550551		(4,308,147.54)	RATE CASE OVER/UNDER
2,021	12 230		5550551		(4,052,348.18)	RATE CASE OVER/UNDER
2,022	1 230		5550551		4,480,656.67	RATE CASE OVER/UNDER
2,022	2 230		5550551		(2,259,848.54)	RATE CASE OVER/UNDER
2,022	3 230		5550551		(485,069.88)	air product volume adj
2,022	4 230		5550551		(86,540.30)	RATE CASE OVER/UNDER
2,022	5 230		5550551		(3,108,690.64)	RATE CASE OVER/UNDER
2,022	6 230		5550551		(3,696,403.27)	RATE CASE OVER/UNDER
2,022	7 230		5550551		(5,051,981.50)	RATE CASE OVER/UNDER
2,022	8 230		5550551		(5,589,149.14)	RATE CASE OVER/UNDER
2,022	9 230		5550551		(128,660.36)	RATE CASE OVER/UNDER
2,022	9 230		5550551		(958,835.88)	air product volume adj

(29,079,103.37) Total Reconciliation Period Activity G/L  
(28,963,684.00) Total Reconciliation Period Filing

(115,419.37)

7,906.00 Sign is incorrect on Filing  
9,204.17 Prior period correction made to the ledger, 1  
(128,576.00) Prior period correction made to the ledger, 1  
3,952.77 Adjustment of the September billing

(7,906.31)

Adjust over / under to account FPPAR rates correction made in feb 2020

To record Kingsport monthly Over/Under effective September 2016 per Base Rate Case Docket No. 16-00001

Adj the over under balance to account for the addition of BAE reliab service since May 2019. Rag accounting was just informed of this arrangement.

Adjustment of Kingsport over / under in October 2021 due to Actual NER file mismatch

To record Kingsport monthly Over/Under effective September 2016 per Base Rate Case Docket No. 16-00001

To record Kingsport monthly Over/Under effective September 2016 per Base Rate Case Docket No. 16-00001

To record Kingsport monthly Over/Under effective September 2016 per Base Rate Case Docket No. 16-00001

To record Kingsport monthly Over/Under effective September 2016 per Base Rate Case Docket No. 16-00001

To record Kingsport monthly Over/Under effective September 2016 per Base Rate Case Docket No. 16-00001

Entry will account for the 3 missing months of Air Product (KING Customer) volumes from the Kingsport Bill and Over Under

To record Kingsport monthly Over/Under effective September 2016 per Base Rate Case Docket No. 16-00001

To record Kingsport monthly Over/Under effective September 2016 per Base Rate Case Docket No. 16-00001

To record Kingsport monthly Over/Under effective September 2016 per Base Rate Case Docket No. 16-00001

To record Kingsport monthly Over/Under effective September 2016 per Base Rate Case Docket No. 16-00001

To record Kingsport monthly Over/Under effective September 2016 per Base Rate Case Docket No. 16-00001

Entry will adjust the KING PPA over under balance to account for an error we discovered in the Kingsport billings for the period April-July

To record Kingsport monthly Over/Under effective September 2016 per Base Rate Case Docket No. 16-00001

Entry will account for the 3 missing months of Air Product (KING Customer) volumes from the Kingsport Bill and Over Under. This entry is in addition to the entry we made in March22

previously on the filing  
previously on the filing