

**IN THE TENNESSEE PUBLIC UTILITY COMMISSION
AT NASHVILLE, TENNESSEE**

IN RE:)	
)	
PETITION OF KINGSPORT POWER)	
COMPANY D/B/A AEP APPALACHIAN)	
POWER FOR JANUARY, 2023 –)	
DECEMBER, 2023 ANNUAL)	DOCKET NO. 24-00010
RECOVERY UNDER THE TARGETED)	
RELIABILITY PLAN AND MAJOR)	
STORM RIDER (“TRP&MS”),)	
ALTERNATIVE RATE MECHANISMS)	
APPROVED IN DOCKET NO. 17-00032)	
)	

**CONSUMER ADVOCATE’S SECOND SET OF DISCOVERY REQUESTS
TO KINGSPORT POWER COMPANY**

This Second Set of Discovery Requests is hereby provided to Kingsport Power Company d/b/a AEP Appalachian Power (“Kingsport” or the “Company”) pursuant to Rules 26, 33, 34 and 36 of the Tennessee Rules of Civil Procedure and Tenn. Comp. R. & Reg. 1220-01-02-.11. The Consumer Advocate Division of the Office of the Attorney General (“Consumer Advocate”) requests that full and complete responses be provided pursuant to the Tennessee Rules of Civil Procedure. The responses are to be produced at the Office of the Tennessee Attorney General and Reporter, Consumer Advocate Division, John Sevier Building, 500 Dr. Martin L. King Jr. Blvd., Nashville, Tennessee 37243, c/o Shilina B. Brown on or before 2:00 p.m. (CDT), April 26, 2024.

PRELIMINARY MATTERS AND DEFINITIONS

This Second Set of Discovery Requests incorporates by reference the same Preliminary Matters and Definitions as set forth in the *Consumer Advocate’s First Informal Discovery Request to Kingsport* sent to the Company on March 14, 2024, and are to be considered

continuing in nature, and are to be supplemented from time to time as information is received by the Company which would make a prior response inaccurate, incomplete, or incorrect.

SECOND SET OF DISCOVERY REQUESTS

2-1. Undocumented Adjustments. Refer to the “OM Summary” tab of the <KgPCo Exhibit No. 4 (JDS) O&M AP Invoices> spreadsheet provided in response to CA1-11 regarding the TRP O&M Expenses. Specifically refer to Cells B63 and F63 regarding a \$25,000 manual adjustment to these cells. Provide a narrative explanation for the cause and rationale for this adjustment.

RESPONSE:

2-2. Missing Data. Refer generally to the <KGP TRP_MS Project Cost> spreadsheets for January - December 2023 that were included with the Company’s filing. These spreadsheets calculate the monthly plant and accumulated depreciation balances in the TRP&MS Rider calculation. Provide this spreadsheet for December 2022 in the same format that was provided in the Company’s filing.

RESPONSE:

2-3. Lovedale Station. Refer generally to the <KGP TRP_MS Project Cost> spreadsheets for January - December 2023 that were included with the Company’s filing. Specifically refer to the “Lovedale Station Work” project category that totals to \$11.6 million during 2023 and provide the following information:

- a. Provide the source and support for the monthly charges associated with Lovedale Station Work project;
- b. Provide a narrative description of the work done for the Lovedale Station Work project; and

- c. Provide a narrative of the Company's rationale for including the cost for the Lovedale Station Work project within the TRP&MS Rider.

RESPONSE:

- 2-4. Undocumented Adjustments.** Refer to the "Exhibit 1" tab of the <KgPCo Exhibit No. 1 (JDS) Over_Under Recovery> spreadsheet provided in response to Consumer Advocate DR No. 1-7 regarding the TRP&MS Rider Over/Under Recovery Calculation. Specifically refer to "Column O" of this spreadsheet regarding the "Pre-Tax Return of Capital" calculation that totals to \$294,034. As shown below, the Company has made a number of manual hard-coded and unreferenced adjustments to the monthly amounts in this calculation:

Month	Adjustment 1	Adjustment 2	Adjustment 3	Total
January 2023	-373			-373
February	592			592
March	-9	-7,904	7,685	-227
April	-23			-23
May	-66	-1		-67
June	-142			-142
July	-297			-297
August	-259			-259
September				0
October	-417			-417
November				0
December	-24,296			-24,296
Total	-25,289	-7,905	7,685	-25,509

Provide the source, support and rationale for each of these adjustments.

RESPONSE:

- 2-5. Supporting Data.** Provide the monthly TRP&MS Surcharge Revenue by Rate Schedule and by Rate Code from January 2023 through December 2023 in the same format as the Company's response to Consumer Advocate DR No. 2-26 in TPUC Docket No. 23-00019.

RESPONSE:

2-6. Supporting Data. Refer to the “Tax ADIT” tab of the <TRPMS Journal Entry Worksheet_Jan 2023 JMJ Changes> spreadsheet included with the Company’s filing. Specifically refer to Cells H114 to H119 of this spreadsheet regarding the monthly tax depreciation for July 2022 to December 2022 of \$39,102. Provide the source and support for this amount, which appears as an unreferenced hard-coded number, in Excel format with all formulas intact.

RESPONSE:

2-7. Supporting Data. Refer to the “Tax ADIT” tab of the <TRPMS Journal Entry Worksheet_REVISED FEB 2023> spreadsheet included with the Company’s filing. Specifically refer to Cell H120 of this spreadsheet regarding the monthly tax depreciation for January 2023 of \$10,010. Provide the source and support for this amount, which appears as an unreferenced hard-coded number, in Excel format with all formulas intact.

RESPONSE:

2-8. Supporting Data. Refer to the “Tax ADIT” tab of the <TRPMS Journal Entry Worksheet_REVISED Mar 2023> spreadsheet included with the Company’s filing. Specifically refer to Cells H120 to H121 of this spreadsheet regarding the monthly tax depreciation for January 2023 to February 2023 of \$16,677. Provide the source and support for this amount, which appears as an unreferenced hard-coded number, in Excel format with all formulas intact.

RESPONSE:

2-9. Supporting Data. Refer to the “Tax ADIT” tab of the <TRPMS Journal Entry Worksheet_REVISED Apr 2023> spreadsheet included with the Company’s filing. Specifically refer to Cells H120 to H122 of this spreadsheet regarding the monthly tax depreciation for January 2023 to March 2023 of \$22,365. Provide the source and support for this amount, which appears as an unreferenced hard-coded number, in Excel format with all formulas intact.

RESPONSE:

2-10. Supporting Data. Refer to the “Tax ADIT” tab of the <TRPMS Journal Entry Worksheet_REVISED May 2023> spreadsheet included with the Company’s filing. Specifically refer to Cells H120 to H123 of this spreadsheet regarding the monthly tax depreciation for January 2023 to April 2023 of \$30,554. Provide the source and support for this amount, which appears as an unreferenced hard-coded number, in Excel format with all formulas intact.

RESPONSE:

2-11. Supporting Data. Refer to the “Tax ADIT” tab of the <TRPMS Journal Entry Worksheet_REVISED June 2023> spreadsheet included with the Company’s filing. Specifically refer to Cells H120 to H124 of this spreadsheet regarding the monthly tax depreciation for January 2023 to May 2023 of \$41,153. Provide the source and support for this amount, which appears as an unreferenced hard-coded number, in Excel format with all formulas intact.

RESPONSE:

2-12. Supporting Data. Refer to the “Tax ADIT” tab of the <TRPMS Journal Entry Worksheet_REVISED July 2023> spreadsheet included with the Company’s filing.

Specifically refer to Cells H120 to H125 of this spreadsheet regarding the monthly tax depreciation for January 2023 to June 2023 of \$55,963. Provide the source and support for this amount, which appears as an unreferenced hard-coded number, in Excel format with all formulas intact.

RESPONSE:

2-13. Supporting Data. Refer to the “Tax ADIT” tab of the <TRPMS Journal Entry Worksheet_REVISED Aug 2023> spreadsheet included with the Company’s filing. Specifically, refer to Cells H120 to H126 of this spreadsheet regarding the monthly tax depreciation for January 2023 to July 2023 of \$65,181. Provide the source and support for this amount, which appears as an unreferenced hard-coded number, in Excel format with all formulas intact.

RESPONSE:

2-14. Supporting Data. Refer to the “Tax ADIT” tab of the <TRPMS Journal Entry Worksheet_REVISED Sep 2023> spreadsheet included with the Company’s filing. Specifically refer to Cells H120 to H127 of this spreadsheet regarding the monthly tax depreciation for January 2023 to August 2023 of \$65,181. Provide the source and support for this amount, which appears as an unreferenced hard-coded number, in Excel format with all formulas intact.

RESPONSE:

2-15. Supporting Data. Refer to the “Tax ADIT” tab of the <TRPMS Journal Entry Worksheet_REVISED Oct 2023> spreadsheet included with the Company’s filing and provide the following information:

- a. Explain why the value in Cell H120 in January 2023 for \$65,181 doesn't change to \$76,314 along with the values for February 2023 to September 2023. If the Company believes that its calculation is in error, then provide a revised update.
- b. Refer to Cells H121 to H128 of this spreadsheet regarding the monthly tax depreciation for February 2023 to September 2023 of \$76,314. Provide the source and support for this amount, which appears as an unreferenced hard-coded number, in Excel format with all formulas intact.

RESPONSE:

2-16. Supporting Data. We are unable to locate the TRP&MS Rider Journal Entry Worksheet for November 2023 in the Company's filing that supports the Company's ADIT calculation of \$186,588. Provide a copy of this spreadsheet in Excel format. In addition, provide all worksheets in Excel format with formulas intact that support the Company's tax depreciation calculation.

RESPONSE:

2-17. Supporting Data. We are unable to locate the TRP&MS Rider Journal Entry Worksheet for December 2023 in the Company's filing that supports the Company's ADIT calculation of \$962,116. Provide a copy of this spreadsheet in Excel format. In addition, provide all worksheets in Excel format with formulas intact that support the Company's tax depreciation calculation.

RESPONSE:

2-18. Supporting Data. Refer to the "Sheet1" tab of the <TN TRP&MS JEB WP-2> spreadsheet included in response to Consumer Advocate DR No. 1-4 and provide the following information:

- a. Specifically refer to Cell D18 in this spreadsheet regarding the "Annual VMP budget needed for 6-year cycle" of \$3,913,470. Provide the source and support for this amount, which appears as an unreferenced hard-coded value.

- b. Specifically refer to Cell F9 in this spreadsheet regarding the “Original Projected SIP Expenses” of \$709,237. Provide the source and support for this amount, which appears as an unreferenced hard-coded value.
- c. Specifically refer to Cell N20 in this spreadsheet regarding the “Estimated VMP cost per mile for 2025, 2026, 2027” of \$16,000. Provide the source and support for this amount, which appears as an unreferenced hard-coded value.
- d. Specifically refer to Cell N21 in this spreadsheet regarding the “Number of miles needed each year in 2025, 2026 and 2027 to achieve 4-year cycle” of 372. Provide the source and support for this amount, which appears as an unreferenced hard-coded value.
- e. Specifically refer to Cell N22 in this spreadsheet regarding the “Estimated oversight, Inspections, and hot spotting costs” of \$100,000. Provide the source and support for this amount, which appears as an unreferenced hard-coded value.

RESPONSE:

2-19. Identify the monthly number of estimated bills issued during the test period.

RESPONSE:

2-20. Identify any internal metrics the Company has in place to evaluate its success in minimizing estimated bills.

RESPONSE:

2-21. Identify the ratio of estimated bills to total bills issued for the test period.

RESPONSE:

2-22. Provide a copy of any research or studies the Company has done to identify the causes of estimated bills.

RESPONSE:

2-23. Describe the process used to true-up customer bills following the issuance of an estimated bill.

RESPONSE:

2-24. Does the Company include any information on a customer bill identifying that the usage was estimated?

RESPONSE:

2-25. Identify the number of corrected bills issued by month, by customer class, during the test period.

RESPONSE:

RESPECTFULLY SUBMITTED,



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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served via U.S. Mail, with a courtesy copy provided by electronic mail, upon:

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This the 18th day of April, 2024.



SHILINA B. BROWN
Assistant Attorney General