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July 19, 2024

Hon. David F. Jones, Chair
c/o Ectory Lawless
Tennessee Public Utility Commission
502 Deaderick Street, 4th Floor
Nashville, TN 37243

Via Email and FedEx Delivery

RE: *Petition of Kingsport Power Company d/b/a AEP Appalachian Power for January, 2023 – December, 2023 Annual Recovery Under the Targeted Reliability Plan and Major Storm Rider (“TRP&MS”), Alternative Rate Mechanisms Approved in Docket No. 17-00032, TPUC Docket No. 24-00010*

Dear Chairman Jones:

Since the submission of Kingsport Power Company’s (“Kingsport” or “Company”) Petition in the above-referenced matter on March 5, 2024, Kingsport and the Consumer Advocate Division (“Consumer Advocate”) have been involved in cooperative discussions and have exchanged various types of information related to the Petition. With the submission of discovery responses by Kingsport; the submission of Kingsport’s Testimony of Jason E. Baker, J. David Spring, and John A. Stevens; the Consumer Advocate’s Testimony of William H. Novak; the Consumer Advocate’s discovery responses, and Kingsport’s Rebuttal Testimony of Mr. Baker and Mr. Stevens, the Parties hereby jointly represent that there are no outstanding procedural matters requiring resolution by the Hearing Officer.

The parties agree to the following: a revenue requirement of \$5,914,416, which reflects the Consumer Advocate’s proposed revenue requirement, and the Consumer Advocate’s revenue allocation and rate design, for purposes of this proceeding only, all of which are embodied in the accompanying rate schedule. In addition, the parties agree that, as indicated in Mr. Stevens’ rebuttal testimony, the Company will make available all supporting workpapers contemporaneously with future TRP & MS filings, including a set of workpapers in Excel format.

Moreover, after considering the entire record, it is the joint position of the Parties that this matter is ripe for consideration on the merits by the Tennessee Public Utility Commission. At this time, there remain no outstanding disputes between the Parties with respect to this Docket, as clarified by and through discovery, the Parties’ pre-filed testimony, and the Parties’ subsequent discussions. After the filing of Mr.

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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) Determinan (3)	Energy (e) kWh	Rate/Charge Demand (\$/KW or KVA (4) = (2 / 3)	Customer (\$)/Customer
<u>Residential</u> - 011, 015, 018, 030, 051	33.21%	\$ 1,964,178	510,383			\$ 3.85
<u>Small General Service (SGS)</u> - 231, 232, 233	5.52%	\$ 326,476	47,523			\$ 6.87
<u>Medium General Service (MGS) Secondary</u> - 235	15.12%	\$ 894,260	366,712		\$ 2.44	
<u>General Service Time-of-Day (GS-TOD)</u> - 229	0.02%	\$ 1,183	332,419	0.356		
<u>Medium General Service (MGS) Primary</u> - 237	0.00%	\$ -	0		\$ 2.39	
<u>Large General Service (LGS) Secondary</u> - 240, 242	20.19%	\$ 1,194,121	471,876		\$ 2.53	
<u>Large General Service (LGS) Primary</u> - 244, 246	3.96%	\$ 234,211	104,679		\$ 2.24	
<u>LGS Subtransmission/Transmission</u> - 248	0.00%	\$ -	0		\$ 2.20	
<u>Industrial Power (IP) Secondary</u> - 327	0.00%	\$ -	0		\$ 1.28	
<u>Industrial Power (IP) Primary</u> - 322	1.92%	\$ 113,557	91,299		\$ 1.24	
<u>Industrial Power (IP) Subtransmission/Transmission</u> - 323, 3	10.20%	\$ 603,270	834,537		\$ 0.72	
<u>Church Service (CS)</u> - 221	1.39%	\$ 82,210	8,549,481	0.96158		
<u>Public Schools (PS)</u> - 640, 641, 642	1.03%	\$ 60,918	26,732,113	0.22789		
<u>Electric Heating General (EHG)</u> - 208, 209	3.48%	\$ 205,822	122,463		\$ 1.68	
<u>Outdoor Lighting (OL)</u> - 094 - 126	3.14%	\$ 185,713	66,868			\$ 2.78
<u>Street Lighting (SL)</u>	0.82%	\$ 48,498	127,025			\$ 0.38
Total	100.00%	\$ 5,914,416				

(a) Allocation factors derived from Attachment A, Schedule 13, and Attachment C of the Settlement Agreement in Docket No. 21-00107.

(b) Excludes Prompt Payment discount per Consumer Advocate Witness Novak's recommendation.

(c) 12 months billing determinants from Docket No. 21-00107, Settlement Attachment C, Schedules 1-10