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June 13, 2025

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KPOW-18155

VIA EMAIL (tpuc.docketroom@tn.gov) & FEDEX

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

Electronically Filed in TPUC Docket
Room on June 13, 2025 at 12:53 p.m.

Re: IN RE: PETITION OF KINGSFORT POWER
COMPANY d/b/a AEP APPALACHIAN POWER
FOR JANUARY, 2024 – DECEMBER 2024 ANNUAL
RECOVERY UNDER THE TARGETED RELIABILITY
PLAN AND MAJOR STORM RIDER (“TRP&MS”),
ALTERNATIVE RATE MECHANISMS APPROVED IN
DOCKET NO. 17-00032
DOCKET NO.: 25-00022

Dear Chairman Jones:

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

Kingsport Power Company d/b/a AEP Appalachian Power’s Response to Staff Data Request.

The original, four (4) copies, and a flash drive containing exhibits are being sent via Federal Express.

Very sincerely yours,

HUNTER, SMITH & DAVIS, LLP

Joseph B. Harvey

Enclosure

cc: Kelly Grams, General Counsel (w/enc.)
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bc: Meriwether Broaddus (w/enc.)
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**TENNESSEE PUBLIC UTILITY COMMISSION
PETITION OF
Kingsport Power Company
DOCKET NO. 25-00022
Data Requests and Requests for the Production
of Documents by the TENNESSEE PUBLIC UTILITY COMMISSION
Staff Set 1
To Kingsport Power Company**

Data Request Staff 1-1:

Refer to Excel file “KgPCo Exhibit No. 1 (MLD),” cell E28. Provide the underlying project cost details for December 2024 to support the Cumulative Capital Addition of \$19,093,392 in the same Excel format that was provided for the previous months.

Response Staff 1-1:

Please see Staff 1-1 Attachment 1 for the requested information. This support can also be found in the file titled “KGP TRP_MS Project Costs at 11_30_2024” included in the zip file “KgPCo TRP_MS Project Costs” submitted with the filing.

The foregoing response is made by Malinda L. Dielman, Regulatory Acctg Case Mgr, on behalf of Kingsport Power Company

TENNESSEE PUBLIC UTILITY COMMISSION
PETITION OF
Kingsport Power Company
DOCKET NO. 25-00022
Data Requests and Requests for the Production
of Documents by the TENNESSEE PUBLIC UTILITY COMMISSION
Staff Set 1
To Kingsport Power Company

Data Request Staff 1-2:

Refer to Excel file "KgPCo Exhibit No. 1 (MLD)", cells I18-I27. In addition, refer to Excel file "WP - YTD KgPCo ADIT Calculation", cells L64-L73.

- a. Explain why the ADIT amounts from February 2024 to November 2024 do not match within the two files.
- b. If the monthly amounts are supposed to differ, provide an explanation of why and a calculation to support the amounts used in Excel file "KgPCo Exhibit No. 1 (MLD)", cells I18-I27.
- c. If the monthly amounts are intended to match, specify which file is correct and provide a replacement file for the one with incorrect monthly amounts.

Response Staff 1-2:

- a. The ADIT amounts in Excel file "KgPCo Exhibit No. 1 (MLD)" cells I18-I27 reflect estimates that were used to calculate the monthly over-/under-recovery due to time sensitive deadlines. This file ties to the general ledger on a monthly basis.

The ADIT amounts in Excel file "KgPCo Exhibit No 1 (MLD)" were estimates used in the monthly over-/under-recovery calculations.

The ADIT amounts in Excel file "WP – YTD KgPCo ADIT Calculation" cells L64-L73 are the actual monthly ADIT amounts.

- b. Please see the responses to subparts a and c.
- c. The pre-tax return on capital in Excel file "KgPCo Exhibit No. 1 (MLD)" was adjusted or trued-up for the difference between the estimate and actual ADIT amounts. These hardcoded adjustments are reflected in cells O19, O27 and O28. No update was made to previous month calculations in Excel file "KgPCo Exhibit No. 1 (MLD)" for the actual ADIT amounts because the corrections were made on a cumulative basis. For immaterial corrections such as these, the Company is not required to re-open its books to make the corrections in previous periods.

Excel file "Staff 1-2 Attachment 1" reflects the actual ADIT amounts from "WP – YTD KgPCo ADIT Calculation" in cells I18-I27. Since this file uses the actual ADIT amounts, the hardcoded adjustments to pre-tax return on capital in cells O19, O27, and O28 are no longer needed and have appropriately been removed. The end result is the same December 31, 2024 under-recovery balance of \$13,006,130 as shown in Excel file "KgPCo Exhibit No. 1 (MLD)".

The foregoing response is made by Malinda L. Dielman, Regulatory Acctg Case Mgr, on behalf of Kingsport Power Company

**TENNESSEE PUBLIC UTILITY COMMISSION
PETITION OF
Kingsport Power Company
DOCKET NO. 25-00022
Data Requests and Requests for the Production
of Documents by the TENNESSEE PUBLIC UTILITY COMMISSION
Staff Set 1
To Kingsport Power Company**

Data Request Staff 1-3:

Refer to Excel file "KgPCo Exhibit No. 1 (MLD)", cells O17, O19, O27, and O28. Provide a detailed explanation and appropriate documentation to support the hardcoded adjustment entries within these cells.

Response Staff 1-3:

Please see the response to Staff 1-2 for an explanation of the hardcoded adjustment entries in cells O19, O27, and O28 of Excel file "KgPCo Exhibit No. 1 (MLD)".

The hardcoded pre-tax return on capital adjustment entry in cell O17 relates to the true-up of 2023 ADIT balances calculated in January 2024.

The ADIT amounts included in Excel file "KgPCo Exhibit No. 1 (MLD)" are on a one-month lag compared to the ADIT amounts in Excel file "WP - YTD KgPCo ADIT Calculation". For example, the November 2024 cumulative ADIT amount of \$957,139 shown in cell L74 of Excel file "WP - YTD KgPCo ADIT Calculation" corresponds to the December 2024 cumulative ADIT amount in cell I28 of Excel file "KgPCo Exhibit No. 1 (MLD)". Therefore, the December 2023 ADIT amount was used in the calculation of the January 2024 over-/under-recovery.

In order to more closely reflect the actual ADIT to be used in the calculation of carrying charges, the ADIT balances are calculated monthly based upon monthly estimates of tax depreciation. Therefore, the tax depreciation amount for any given year can fluctuate monthly resulting in changes to prior month ADIT amounts. The calculation of December 2023 ADIT in January 2024 resulted in changes to the January 2023 through November 2023 ADIT amounts which impacted the February 2023 through December 2023 pre-tax return on capital by the \$10,498 adjustment shown in cell O17 of Excel file "KgPCo Exhibit No. 1 (MLD)". Please see "Staff 1-3 Attachment 1" for this calculation.

The foregoing response is made by Malinda L. Dielman, Regulatory Acctg Case Mgr, on behalf of Kingsport Power Company

**TENNESSEE PUBLIC UTILITY COMMISSION
PETITION OF
Kingsport Power Company
DOCKET NO. 25-00022
Data Requests and Requests for the Production
of Documents by the TENNESSEE PUBLIC UTILITY COMMISSION
Staff Set 1
To Kingsport Power Company**

Data Request Staff 1-4:

In its Petition, the Company states that its proposal, if approved, would result in an average monthly increase of \$1.55 to residential customers. However, in witness testimonies, an increase of \$2.99 is cited, which is also supported by the Company's workpapers. Please clarify this discrepancy.

Response Staff 1-4:

The discrepancy is due to an error in the petition. The correct average monthly increase is \$2.99, supported by the Company's workpapers.

The foregoing response is made by John A. Stevens, Regulatory Consultant Staff, on behalf of Kingsport Power Company

	11/1/2024										
	November		Only 101/106 costs beginning in July 2022 are eligible for recovery					DEFERRED DEPRECIATION EXPENSE			
	Fund Project Number	Fund Project Description	Utility Account	Prior Month 101/106 Balance of Plant In Service Eligible Charges with AFUDC	November 2024 Current Month 101/106 Plant In Service Additions	101/106 Balance of Plant In Service Eligible Charges with AFUDC through November 2024	KGP Total Depreciation Rate	Total Plant in Service Balance Eligible for Deferral of Depreciation Expense	Previous Months Total Accumulated Provision	KGP Monthly Depreciation Expense	Total Current Month Accumulated Provision
				(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
									Prior Month SS (H)	(E) * ((D) /12)	(F) + (G)
	000004738	KGPSectionalizing Program	364	124,867.82	-	124,867.82	3.55%	124,867.82	4,580.51	369.40	4,949.91
			365	213,490.35	-	213,490.35	3.46%	213,490.35	8,696.78	615.56	9,312.34
			366	-	-	-	1.49%	-	-	-	-
			367	-	-	-	2.14%	-	-	-	-
			368	6,016.89	-	6,016.89	2.74%	6,016.89	168.00	13.74	181.74
			369	3,104.45	-	3,104.45	3.46%	3,104.45	106.23	8.95	115.18
			373	-	-	-	5.42%	-	-	-	-
			397	-	-	-	3.77%	-	-	-	-
	000007578	Ed-Ci-Kgpco-D Ast Imp	364	-	-	-	3.55%	-	-	-	-
			365	219.81	-	219.81	3.46%	219.81	11.53	0.63	12.16
			366	25,618.33	-	25,618.33	1.49%	25,618.33	461.76	31.81	493.57
			367	25,058.65	-	25,058.65	2.14%	25,058.65	932.15	44.69	976.84
			369	28,428.16	-	28,428.16	3.46%	28,428.16	1,013.29	81.97	1,095.26
			373	18,858.25	-	18,858.25	5.42%	18,858.25	1,189.36	85.18	1,274.54
	000009172	Forestry KGP D Base R W	365	1,890,990.34	266,568.16	2,157,558.50	3.46%	2,157,558.50	71,945.59	6,220.96	78,166.55
	000018020	KGPCutout-Arrestor Program	364	7,127.11	-	7,127.11	3.55%	7,127.11	245.06	21.08	266.14
			365	5,231.95	-	5,231.95	3.46%	5,231.95	235.15	15.09	250.24
			368	826.55	-	826.55	2.74%	826.55	194.81	1.89	196.70
	000018023	Ed-Ci-Kgpco-D Ast Imp	364	504,001.29	-	504,001.29	3.55%	504,001.29	25,723.81	1,491.00	27,214.81
			365	635,136.21	-	635,136.21	3.46%	635,136.21	31,661.94	1,831.31	33,493.25
			366	41,792.69	-	41,792.69	1.49%	41,792.69	932.00	51.89	983.89
			367	58,805.67	-	58,805.67	2.14%	58,805.67	1,693.22	104.87	1,798.09
			368	43,523.00	-	43,523.00	2.74%	43,523.00	1,854.08	99.38	1,953.46
			369	6,316.30	-	6,316.30	3.46%	6,316.30	273.59	18.21	291.80
			371	-	-	-	2.72%	-	7.18	-	7.18
			373	336.51	-	336.51	5.42%	336.51	30.54	1.52	32.06
	DR18R12E0	Highland - Sta Exits Upgrades	364	-	-	-	3.55%	-	-	-	-
			365	-	-	-	3.46%	-	-	-	-
			366	-	-	-	1.49%	-	-	-	-
			367	-	-	-	2.14%	-	-	-	-
			368	-	-	-	2.74%	-	-	-	-
			373	-	-	-	5.42%	-	-	-	-
	DR19R10B0	Lovedale Station Work	397	53,532.45	1,173.19	54,705.64	3.77%	54,705.64	2,283.22	171.87	2,455.09
			362	7,367,722.44	161,467.82	7,529,190.26	2.33%	7,529,190.26	194,213.68	14,619.18	208,832.86
			362	136,650.66	2,994.78	139,645.44	2.33%	139,645.44	3,602.13	271.14	3,873.27
			361	5,332,908.29	116,873.69	5,449,781.98	2.22%	5,449,781.98	103,614.41	10,082.10	113,696.51
	DR20R08B0	Riggs Station DACR	362	139.65	-	139.65	2.33%	139.65	7.43	0.27	7.70
			362	103.71	-	103.71	2.33%	103.71	5.50	0.20	5.70
			397	73.29	-	73.29	3.77%	73.29	6.32	0.23	6.55
	DX19R01A0	Ed-Ci-Kgpco-D Ast Imp	364	-	-	-	3.55%	-	-	-	-
			365	-	-	-	3.46%	-	-	-	-
			366	-	-	-	1.49%	-	-	-	-
			367	-	-	-	2.14%	-	-	-	-
			368	-	-	-	2.74%	-	-	-	-
			373	-	-	-	5.42%	-	-	-	-
	EDN014682	Ds-Kgp-Ai Pole Replacement	364	211,092.87	15,780.55	226,873.42	3.55%	226,873.42	10,113.47	671.17	10,784.64
			365	83,250.96	9,041.09	92,292.05	3.46%	92,292.05	4,033.79	266.11	4,299.90
			366	8,722.16	-	8,722.16	1.49%	8,722.16	153.78	10.83	164.61

	11/1/2024							DEFERRED DEPRECIATION EXPENSE			
	November		Only 101/106 costs beginning in July 2022 are eligible for recovery								
	Fund Project Number	Fund Project Description	Utility Account	Prior Month 101/106 Balance of Plant In Service Eligible Charges with AFUDC	November 2024 Current Month 101/106 Plant In Service Additions	101/106 Balance of Plant In Service Eligible Charges with AFUDC through November 2024	KGP Total Depreciation Rate	Total Plant in Service Balance Eligible for Deferral of Depreciation Expense	Previous Months Total Accumulated Provision	KGP Monthly Depreciation Expense	Total Current Month Accumulated Provision
				(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
									Prior Month SS (H)	(E) * ((D) /12)	(F) + (G)
			367	2,667.91	-	2,667.91	2.14%	2,667.91	93.23	4.76	97.99
			368	12,164.02	208.62	12,372.64	2.74%	12,372.64	492.76	28.25	521.01
			369	6,616.07	1.86	6,617.93	3.46%	6,617.93	350.80	19.08	369.88
			371	90.22	-	90.22	2.72%	90.22	3.25	0.20	3.45
			373	1,025.48	-	1,025.48	5.42%	1,025.48	103.76	4.63	108.39
			370	802.26	-	802.26	9.05%	802.26	121.51	6.05	127.56
	EDN014722	Ds-Kgp-Ai Recloser Replacement	364	11,907.15	-	11,907.15	3.55%	11,907.15	514.20	35.23	549.43
			365	86,779.94	-	86,779.94	3.46%	86,779.94	4,788.29	250.22	5,038.51
			367	268.38	-	268.38	2.14%	268.38	12.91	0.48	13.39
			368	592.40	-	592.40	2.74%	592.40	13.16	1.35	14.51
	EDN015044	Ds-Kgp-Small Wire Repl Ovhd	364	111,459.69	-	111,459.69	3.55%	111,459.69	5,745.90	329.73	6,075.63
			365	98,237.62	-	98,237.62	3.46%	98,237.62	5,273.24	283.25	5,556.49
			366	-	-	-	1.49%	-	-	-	-
			367	531.70	-	531.70	2.14%	531.70	12.47	0.95	13.42
			368	6,988.32	-	6,988.32	2.74%	6,988.32	259.54	15.96	275.50
			369	1,482.88	-	1,482.88	3.46%	1,482.88	68.82	4.28	73.10
			373	-	-	-	5.42%	-	-	-	-
	EDN100104			-	-	-		-	-	-	-
	EDN100271	Ed-Ci-Kgpco-D Ast Imp	364	1,686.43	-	1,686.43	3.55%	1,686.43	37.80	4.99	42.79
			365	240.50	-	240.50	3.46%	240.50	9.00	0.69	9.69
			366	2,335.13	-	2,335.13	1.49%	2,335.13	38.01	2.90	40.91
			367	15,505.29	-	15,505.29	2.14%	15,505.29	241.46	27.65	269.11
			368	752.09	-	752.09	2.74%	752.09	23.92	1.72	25.64
			369	-	-	-	3.46%	-	-	-	-
			371	312.83	-	312.83	2.72%	312.83	11.23	0.71	11.94
			373	168,099.86	-	168,099.86	5.42%	168,099.86	10,470.96	759.25	11,230.21
	EDN100298	Ds-Kgp-Ai Small Wire Repl Urd	364	6,343.61	-	6,343.61	3.55%	6,343.61	493.98	18.77	512.75
			365	3,068.20	-	3,068.20	3.46%	3,068.20	210.62	8.85	219.47
			366	107,462.03	(3,510.55)	103,951.48	1.49%	103,951.48	1,619.38	129.07	1,748.45
			367	56,183.68	(656.32)	55,527.36	2.14%	55,527.36	1,535.59	99.02	1,634.61
			369	3,734.68	-	3,734.68	3.46%	3,734.68	183.60	10.77	194.37
			373	151.34	-	151.34	5.42%	151.34	14.18	0.68	14.86
	EDN100579	Ed-Ci-Kgpco-D Ast Imp	364	556,815.79	12,248.65	569,064.44	3.55%	569,064.44	28,549.36	1,683.48	30,232.84
			365	254,109.98	4,776.22	258,886.20	3.46%	258,886.20	13,259.01	746.46	14,005.47
			366	5,684.79	(0.01)	5,684.78	1.49%	5,684.78	84.14	7.06	91.20
			367	12,066.03	0.04	12,066.07	2.14%	12,066.07	269.03	21.52	290.55
			368	79,371.77	1,242.53	80,614.30	2.74%	80,614.30	3,065.15	184.07	3,249.22
			369	49,117.72	(0.01)	49,117.71	3.46%	49,117.71	2,519.88	141.62	2,661.50
			371	912.53	-	912.53	2.72%	912.53	45.16	2.07	47.23
			373	5,623.84	42.52	5,666.36	5.42%	5,666.36	502.05	25.59	527.64
	Total			18,505,138.95	588,252.83	19,093,391.78		19,093,391.78	551,027.66	42,063.59	593,091.25

Kingsport Power Company**January 2024 Pre-tax Return on Capital Adjustment****Updated Balances as of January 2024**

	Cumulative Capital Additions	Accum Depr	Accum Def Income Taxes	Net TRP Capital Additions	Monthly Carrying Charge Rate	Pre-tax Return on Capital
Jan-23	721,727	6,567	44,239	670,922	0.63683%	4,273
Feb-23	978,867	9,264	104,558	865,044	0.63683%	5,509
Mar-23	1,224,949	12,665	164,730	1,047,554	0.63683%	6,671
Apr-23	1,434,925	16,643	224,781	1,193,501	0.63683%	7,601
May-23	1,737,227	21,467	284,654	1,431,106	0.63683%	9,114
Jun-23	2,128,512	27,450	344,284	1,756,778	0.63683%	11,188
Jul-23	2,675,215	35,036	403,577	2,236,602	0.63683%	14,243
Aug-23	3,015,498	43,673	462,649	2,509,176	0.63683%	15,979
Sep-23	3,426,473	53,484	521,475	2,851,514	0.63683%	18,159
Oct-23	3,761,507	64,257	580,099	3,117,152	0.63683%	19,851
Nov-23	15,698,811	98,111	633,875	14,966,824	0.63683%	95,314
Dec-23	15,985,223	133,323	687,367	15,164,533	0.63683%	96,573

Balances Recorded as of December 2023

	Cumulative Capital Additions	Accum Depr	Accum Def Income Taxes	Net TRP Capital Additions	Monthly Carrying Charge Rate	Pre-tax Return on Capital
Jan-23	721,727	6,567	44,239	670,922	0.63683%	4,273
Feb-23	978,867	9,264	129,536	840,067	0.63683%	5,350
Mar-23	1,224,949	12,665	214,685	997,600	0.63683%	6,353
Apr-23	1,434,925	16,643	299,713	1,118,570	0.63683%	7,123
May-23	1,737,227	21,467	384,563	1,331,197	0.63683%	8,478
Jun-23	2,128,512	27,450	469,170	1,631,892	0.63683%	10,392
Jul-23	2,675,215	35,036	553,440	2,086,739	0.63683%	13,289
Aug-23	3,015,498	43,673	637,489	2,334,336	0.63683%	14,866
Sep-23	3,426,473	53,484	721,292	2,651,696	0.63683%	16,887
Oct-23	3,761,507	64,257	804,893	2,892,357	0.63683%	18,419
Nov-23	15,698,811	98,111	883,647	14,717,052	0.63683%	93,723
Dec-23	15,985,223	133,323	962,116	14,889,784	0.63683%	94,823
						293,976

Pre-tax Return on Capital Differences

Jan-23	-
Feb-23	159
Mar-23	318
Apr-23	477
May-23	636
Jun-23	795
Jul-23	954
Aug-23	1,113
Sep-23	1,273
Oct-23	1,432
Nov-23	1,591
Dec-23	1,750
Total	10,498