Kentucky Power Company KPSC Case No. 2021-00004 Commission Staff's Rehearing Data Requests Dated August 19, 2021 Page 1 of 7

## **DATA REQUEST**

**RH\_1\_1** Explain Kentucky Power and Wheeling Power's plan regarding Mitchell. Provide updated status reports every ten days through the pendency of this proceeding.

## **RESPONSE**

Kentucky Power and Wheeling Power currently are implementing plans to ensure the construction of the CCR project to allow the operation of the Mitchell Generating Station through December 31, 2028.

Kentucky Power Company and Wheeling Power Company are reviewing their alternatives regarding the Mitchell Generating Station in light of the July 15, 2021 decision of this Commission, and the August 4, 2021 decision of the Public Service Commission of West Virginia. No decision regarding a plan for the Mitchell Generating Station beyond that described above has been reached by either Company.

Kentucky Power will file updated status reports every ten days during the pendency of this proceeding.

## September 13, 2021 Update

Wheeling Power Company and Appalachian Power Company on September 8, 2021 filed with the Public Service Commission of West Virginia their "Petition to Reopen Case and to Take Further Action" in Case No. 20-1040-E-CN. The petition requests the West Virginia Commission to provide certain confirmations, acknowledgements, and commitments regarding, *inter alia*, the Mitchell Generating Station, in light of the inconsistent orders of the Kentucky and West Virginia commissions regarding the proposed ELG work at the Mitchell Generating Station. The petition further requests that the West Virginia Commission provide the confirmations, acknowledgements, and commitments prior to the October 13, 2021 deadline under the ELG Rule for notifying the West Virginia Department of Environmental Protection concerning the ELG modifications at the Mitchell Generating Station. Finally, Wheeling Power and Appalachian Power Company indicated in the petition that there were matters in need of resolution should West Virginia decide to fully fund the ELG investment and maintain the plant in order to preserve an option to run the Mitchell Generating Station past 2028.

A copy of the petition is attached as KPCO\_SR\_KPSC\_RH\_1\_1\_Attachment1.

Kentucky Power Company KPSC Case No. 2021-00004 Commission Staff's Rehearing Data Requests Dated August 19, 2021 Page 2 of 7

The West Virginia commission by order dated September 9, 2021 established a procedural schedule, and provided for a September 24, 2021 evidentiary hearing, in connection with the petition.

A copy of the September 9, 2021 order is attached as KPCO\_SR\_KPSC\_RH\_1\_1\_Attachment2.

Kentucky Power Company and Wheeling Power Company continue to review their alternatives regarding the Mitchell Generating Station pending action by the West Virginia Commission on the petition. Kentucky Power Company also intends to explore these issues and will work to bring the Commission a recommendation on how to handle the Mitchell operating agreement in a new docket for review.

Kentucky Power will continue to file updated status reports every ten days during the pendency of this proceeding on the status of the West Virginia decision on ELG investment.

## September 23, 2021 Update

Wheeling Power Company and Appalachian Power Company on September 20, 2021 filed with the Public Service Commission of West Virginia their Reply in support of their "Petition to Reopen Case and to Take Further Action."

A copy of the Reply is attached as KPCO\_SR\_KPSC\_RH\_1\_1\_Attachment3.

Kentucky Power Company and Wheeling Power Company continue to review their alternatives regarding the Mitchell Generating Station pending action by the West Virginia Commission on the petition. Kentucky Power Company will work to bring the Commission a recommendation on how to handle the Mitchell operating agreement either in Case No. 2021-00370 or in a separate docket.

Kentucky Power will continue to file updated status reports every ten days during the pendency of this proceeding.

## October 4, 2021 Update

The Public Service Commission of West Virginia held an evidentiary hearing on September 24, 2021 in Case No. 20-1040-E-CN. The purpose of the hearing was to address the issues raised in Wheeling Power Company and Appalachian Power Company's September 8, 2021 "Petition to Reopen Case and to Take Further Action."

Kentucky Power Company KPSC Case No. 2021-00004 Commission Staff's Rehearing Data Requests Dated August 19, 2021 Page 3 of 7

Kentucky Power Company and Wheeling Power Company continue to review their alternatives regarding the Mitchell Generating Station pending action by the West Virginia Commission on the petition. Kentucky Power Company will work to bring the Commission a recommendation on how to handle the Mitchell operating agreement either in Case No. 2021-00370 or in a separate docket.

Kentucky Power will continue to file updated status reports every ten days during the pendency of this proceeding.

## October 13, 2021 Update

On October 12, 2021 the Public Service Commission of West Virginia issued its Order regarding Wheeling Power Company and Appalachian Power Company's September 20, 2021 "Petition to Reopen Case and to Take Further Action" affirming the earlier order that the Companies proceed with ELG at all three plants.

Please see KPCO\_SR\_KPSC\_RH\_1\_1\_Attachment4 which provides a copy of the October 12, 2021 Order and all other documents filed by either Wheeling Power Company or the Public Service Commission of West Virginia in Case No. 20-1040-E-CN since October 2, 2021<sup>1</sup> through October 12, 2021.

Kentucky Power will continue to file updated status reports every ten days during the pendency of this proceeding.

## October 25, 2021 Update

Wheeling Power Company is moving forward with CCR/ELG work at the Mitchell Generating Station given the recent action by the West Virginia Commission on the petition. Kentucky Power Company will work to bring the Commission a recommendation on how to handle the Mitchell operating agreement either in Case No. 2021-00370 or in a separate docket. The Company expects to make the operating agreement filing in fourth quarter 2021 and further plans to address through that filing that Kentucky Power will only pay for CCR-related costs associated with the CCR/ELG project.

<sup>&</sup>lt;sup>1</sup> The Commission Staff's data request 2-6 dated September 17, 2021 sought, as a continuing request, that the Company provide a copy of any documents filed by Wheeling Power or the Public Service Commission of West Virginia in Case No. 20-1040-E-CN and to be provided in the Company's 10-day status reports. The Company's response to 2-6 provided these documents through October 1, 2021.

Kentucky Power Company KPSC Case No. 2021-00004 Commission Staff's Rehearing Data Requests Dated August 19, 2021 Page 4 of 7

Kentucky Power will continue to file updated status reports every ten days during the pendency of this proceeding.

There were no documents filed by either Wheeling Power Company or the Public Service Commission of West Virginia in Case No. 20-1040-E-CN from October 13, 2021 through October 24, 2021.

## November 4, 2021 Update

AEP has entered into an agreement to sell its Kentucky operations, which include Kentucky Power and AEP Kentucky Transco, to Liberty Utilities Corp., the regulated utility business of parent company Algonquin Power & Utilities Corporation. Liberty will own and obtain power from Kentucky Power's 50% portion of the Mitchell Plant through 2028. The sale is expected to close in the second quarter of 2022, pending regulatory approvals. The Company expects that an application for Commission approval of the transaction will be made in the fourth quarter 2021.

Kentucky Power Company will work to bring the Commission a recommendation on how to handle the Mitchell operating agreement either in Case No. 2021-00370 or in a separate docket. The Company expects to make the operating agreement filing in the fourth quarter 2021.

Kentucky Power will continue to file updated status reports every ten days during the pendency of this proceeding.

There were no documents filed by either Wheeling Power Company or the Public Service Commission of West Virginia in Case No. 20-1040-E-CN from October 25, 2021 through November 3, 2021.

## November 15, 2021 Update

On November 5, 2021, Kentucky Power filed its notice of intent to file an application for approval of affiliate agreements related to the Mitchell Generating Station. The Commission assigned this proceeding Case No. 2021-00421. The Company will file its application before November 30, 2021. A comparable filing will be made at the same time in West Virginia.

Kentucky Power will continue to file updated status reports every ten days during the pendency of this proceeding.

Kentucky Power Company KPSC Case No. 2021-00004 Commission Staff's Rehearing Data Requests Dated August 19, 2021 Page 5 of 7

There were no documents filed by either Wheeling Power Company or the Public Service Commission of West Virginia in Case No. 20-1040-E-CN from November 4, 2021 through November 14, 2021.

## November 24, 2021 Update

On November 19, 2021, Kentucky Power filed its application for approval of its proposed Mitchell Plant Operations and Maintenance Agreement and Mitchell Plant Ownership Agreement (collectively the "New Mitchell Agreements") in Case No. 2021-00421. Please see KPCO\_SR\_KPSC\_1\_1\_Attachment5 for a copy of the Company's application, including the supporting testimonies of D. Brett Mattison and Timothy C. Kerns. A comparable filing was made contemporaneously in West Virginia under Case No. 21-0810-E-PC. Please see KPCO\_SR\_KPSC\_1\_1\_Attachment6 for a copy of this filing.

Additionally, American Electric Power Service Corporation (on behalf of Wheeling Power and Kentucky Power) filed the New Mitchell Agreements and cancellation of Rate Schedules No. 303 (current Mitchell Plant Operating Agreement) with FERC on November 19, 2021. Please see KPCO\_SR\_KPSC\_1\_1\_Attachment7 for a copy of this filing.

Kentucky Power will continue to file updated status reports every ten days during the pendency of this proceeding.

There were no documents filed by either Wheeling Power Company or the Public Service Commission of West Virginia in Case No. 20-1040-E-CN from November 15, 2021 through November 23, 2021.

## December 3, 2021 Update

On November 30, 2021 an informal meeting was held following the hearing in Case No. 2021-00370 to discuss a procedural schedule for Case No. 2021-00421. The Commission entered an Order on December 3, 2021 in Case No. 2021-00421 establishing the procedural schedule for Case No. 2021-00421.

As of December 2, 2021 a procedural schedule has not been established in the comparable filing made in West Virginia (21-0810-E-PC).

Copies of the FERC eLibrary docket for FERC Case No. ER22-453-000 (Kentucky Power Company) and FERC Case No. ER22-452-000 (Wheeling Power Company) are filed as KPCO\_SR\_KPSC\_1\_1\_Attachment8 and KPCO\_SR\_KPSC\_1\_1\_Attachment9 respectively.

Kentucky Power Company KPSC Case No. 2021-00004 Commission Staff's Rehearing Data Requests Dated August 19, 2021 Page 6 of 7

Kentucky Power will continue to file updated status reports every ten days during the pendency of this proceeding.

There were no documents filed by either Wheeling Power Company or the Public Service Commission of West Virginia in Case No. 20-1040-E-CN during the period November 24, 2021 through December 2, 2021.

## December 13, 2021 Update

On December 13, 2021, the Commission established a hearing date in Case No. 2021-00421. The hearing is to be held on March 1, 2022 through March 3, 2022.

As of December 12, 2021 a procedural schedule has not been established in the comparable filing made in West Virginia (21-0810-E-PC).

Copies of the FERC eLibrary docket for FERC Case No. ER22-453-000 (Kentucky Power Company) and FERC Case No. ER22-452-000 (Wheeling Power Company) are filed as KPCO\_SR\_KPSC\_1\_1\_Attachment10 and KPCO\_SR\_KPSC\_1\_1\_Attachment11 respectively.

Kentucky Power will continue to file updated status reports every ten days during the pendency of this proceeding.

There were no documents filed by either Wheeling Power Company or the Public Service Commission of West Virginia in Case No. 20-1040-E-CN during the period December 3, 2021 through December 12, 2021.

## December 22, 2021 Update

The Company will be filing its responses to the first set of discovery requests in Case No. 2021-00421 today.

As of December 21, 2021 a procedural schedule has not been established in the comparable filing made in West Virginia (21-0810-E-PC).

Copies of the FERC eLibrary docket for FERC Case No. ER22-453-000 (Kentucky Power Company) and FERC Case No. ER22-452-000 (Wheeling Power Company) are filed as KPCO\_SR\_KPSC\_1\_1\_Attachment12 and KPCO\_SR\_KPSC\_1\_1\_Attachment13 respectively.

Kentucky Power Company KPSC Case No. 2021-00004 Commission Staff's Rehearing Data Requests Dated August 19, 2021 Page 7 of 7

Kentucky Power will continue to file updated status reports every ten days during the pendency of this proceeding.

There were no documents filed by either Wheeling Power Company or the Public Service Commission of West Virginia in Case No. 20-1040-E-CN during the period December 13, 2021 through December 21, 2021.

## January 3, 2022

There were no documents filed by either Wheeling Power Company or the Public Service Commission of West Virginia in Case No. 20-1040-E-CN during the period December 22, 2021 through December 31, 2021.

On December 22, 2021 the Staff of the Public Service Commission of West Virginia issued its initial memorandum and first set of data requests in Case No. 21-0810-E-PC. The proceeding seeks approval of the Mitchell Plant Operations and Maintenance Agreement and the Mitchell Plant Ownership Agreement. Copies of the filed memo and the data requests are attached as KPCO\_SR\_KPSC\_1\_1\_Attachment14 and KPCO\_SR\_KPSC\_1\_1\_Attachment15 respectively. As of December 29, 2021 a procedural schedule has not be established in Case 21-0810-E-PC.

Copies of the FERC eLibrary docket for FERC Case No. ER22-453-000 (Kentucky Power Company) and FERC Case No. ER22-452-000 (Wheeling Power Company) are filed as KPCO\_SR\_KPSC\_1\_1\_Attachment16 and KPCO\_SR\_KPSC\_1\_1\_Attachment17 respectively.

Witness: Deryle B. Mattison

KPSC Case No. 2021-00004 Commission Staff's Rehearing Data Requests Dated August 19, 2021 Supplemental Item 1 Attachment 14 Page 1 of 10

# Public Service Commission of West Virginia

201 Brooks Street, P.O. Box 812 Charleston, West Virginia 25323



Phone: (304) 340-0300 Fax: (304) 340-0325

December 22, 2021

Keith D. Fisher, Esq. Senior Counsel, APCo and WPCo Appalachian Power Company 500 Lee Street East, Suite 800 Charleston, WV 25301

William C. Porth, Esq. Counsel, APCo and WPCo Robinson & McElwee PLLC PO Box 1791 Charleston, WV 25326

Robert F. Williams, Esq. Director John Auville, Esq. Consumer Advocate Division 300 Capitol Street, Ste. 810 Charleston, WV 25301

> RE: Case No. 21-0810-E-PC Appalachian Power Company and Wheeling Power Company

Gentlemen:

Pursuant to Rule 4.3.3 of the Commission's <u>Rules of Practice and Procedure</u>, we are enclosing a copy of the Staff memorandum in this matter. Any responses must be submitted to the Executive Secretary's Office in writing within 10 days of this date, unless directed otherwise.

Your failure to respond in writing to the utility's answer, Staff's recommendations, or other documents may result in a decision in your case based on your original filing and the other documents in the case file, without further hearing or notice.

If you have not done so, you are encouraged to file the Electronic Mail Agreement, previously mailed to you, which allows the Commission to serve all <u>orders</u> issued in this matter via electronic docket notification.

When you provide an email address, you will automatically receive docket notifications as documents are filed in this proceeding. The email notifications allow recipients to view a document within an hour from the time the filing is processed. If you have not provided your email address, please send an email to <u>caseinfo@psc.state.wv.us</u> and state the case number in the email subject field.

**PLEASE NOTE:** The Public Service Commission has adjusted its filing procedures during COVID-19 Pandemic: All public utilities and parties to Commission cases are to follow the directives in General Order 262.3, issued April 7, 2020. Filings of 30 pages or less should be filed in formal cases via email sent to <u>caseinfo@psc.state.wv.us</u>. All filings over 30 pages should be sent by U.S. Postal Service or other commercial courier services, whenever possible. Individuals who are unable to file via email may file via fax or file paper copies. The Commission will continue to receive hand-delivered filings prior to 3:30 p.m. if at all possible

Sincerely,

omi Shaly

Connie Graley Executive Secretary

CG/jt Enc. Memo

KPSC Case No. 2021-00004 Commission Staff's Rehearing Data Requests Dated August 19, 2021 Supplemental Item 1 Attachment 14 Page 2 of 10

#### INITIAL JOINT STAFF MEMORANDUM

#### TO: CONNIE GRALEY Executive Secretary

DATE: December 22, 2021

FROM: LUCAS HEAD Staff Attorney

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miliedan

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#### RE: CASE NO. 21-0810-E-PC APPALACHIAN POWER COMPANY AND WHEELING POWER COMPANY

Legal Staff has reviewed the material submitted and agrees that additional information is needed for Staff to complete its evaluation and make a final recommendation in this case. Accordingly, Legal Staff will submit a formal Data Request to the Companies

On November 19, 2021, Appalachian Power Company and Wheeling Power Company (Companies) filed a petition for consent and approval to enter into operating agreement for the Mitchell Power Plant located in Moundsville, WV, and owned and operated jointly by Wheeling Power Company and Kentucky Power Company (Petition). The Petition included the pre-filed direct testimony of Christian T. Beam and Timothy C. Kerns, which explained the need for the new operating agreement and the differences between the current and proposed agreements.

The revised operating agreements are needed as a result of the Final Orders by the Kentucky Public Service Commission (KPSC) and West Virginia Public Service Commission (WVPSC) which differed on allowing reimbursement for certain investments related to two, new environmental control measures required by federal regulations. In Case No. 2021-00004, the KPUC allowed investment to meet only one of two requirements. In Case No. 20-1040-E-CN, the WVPSC allowed investment to meet both requirements. The KPUC investment only would have required the plants to cease coal operations by December 31, 2028, while the WVPSC investment would allow the plants to operate until 2040, and allowed the cost for the environmental control option denied by the KPUC to be borne entirely by West Virginia customers. The difference in cost sharing for continued plant coal operations then required a new O&M Agreement which is the subject of this instant Case.

Attached are memoranda prepared by Jim Weimer, P.E., with the Commission's Engineering Division (Engineering Staff) and Geoffery M. Cooke, Utilities Analyst with the Commission's Utilities Division (Utilities Staff). Engineering Staff outlined the

Case No. 21-0810-E-PC December 22, 2021 Page 2

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differences in the existing operations agreement between WPCo and KPCo and the new, proposed agreement. Engineering Staff determined that additional information is needed for Staff to complete its review of the Companies' Petition.

Legal Staff has reviewed the material submitted and agrees that additional information is needed for Staff to complete its evaluation and make a final recommendation in this case. Accordingly, Legal Staff will submit a formal Data Request to the Companies.

LRH/dt Attachment

WSB WSB

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KPSC Case No. 2021-00004 Commission Staff's Rehearing Data Requests Dated August 19, 2021 Supplemental Item 1 Attachment 14 Page 4 of 10

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#### PUBLIC SERVICE COMMISSION OF WEST VIRGINIA UTILITIES DIVISION INITIAL MEMORANDUM

- **FROM:** Geoffery M. Cooke, Utilities Analyst Utilities Division
- **DATE:** December 21, 2021

#### SUBJECT: Case No. 21-0810-E-PC Appalachian Power Company and Wheeling Power Company Petition for consent and approval to enter into Ownership and Operating Agreements for the Mitchel Plant

On November 19, 2021, Appalachian Power Company (APCo) and Wheeling Power Company (WPCo) (collectively, the "Companies") filed a petition for the Commission's consent and approval to enter into a new ownership and operating agreements for the Mitchell generating plant located in Moundsville, West Virginia. The filing states as contemplated by the Commission's August 4 and October 12, 2021 orders (Case No. 20-1040-E-CN), it is necessary to replace the Current Mitchell Agreement in light of the conflicting decisions of this Commission and the Kentucky Public Service Commission.

The proposed Mitchell Plant Ownership Agreement includes the following items which would be a change to the current agreement:

- WPCo will purchased Kentucky Power Company's (KPCo) ownership interest in the Mitchel Plant on or before December 31, 2028, unless an early retirement even occurs, with the purchase price being either an agreed-upon price or Fair Market Value (determined by an appraisal process), adjusted for coal inventory, excess ELG expenditures by WPCo, and decommissioning costs, and approved by the parties' respective commissions in either case.
- WPCo will bear the full cost of, and own outright, the upgrades at the Mitchell Plant necessary to ensure its compliance with the effluent limitation guidelines (ELG) rules.
- KPCo will share in cost and ownership of other capital expenditures made at the plant with an in-service date through December 31, 2028, including coal combustion residuals (CCR) compliance upgrades.
- Capital expenditures for assets that go into service after December 31, 2028 will be allocated entirely to WPCo.
- If a non-ELG capital item has a depreciable life that extends beyond December 31, 2028, KPCo will pay 50% of the expenditures for such capital item multiplied by the number of months between the reasonably anticipated inservice date of such capital item and December 31, 2028 divided by the

Utilities Division Initial Memorandum Case No. 21-0810-E-PC December 21, 2021 Page 2

depreciable life of such capital item. WPCo would be responsible for the remaining amount of such capital expenditures not allocated to KPCo.

The proposed Mitchell Plant Operations and Maintenance Agreement carries out the intentions of the Mitchell Plant Ownership Agreement that WPCo is to replace KPCo as operator of the Mitchell Plant and, therefore, become responsible for managing the day-to-day operations and maintenance of the plant, including dispatch, environmental, and NERC compliance.

The Utilities Division has started its review of the filing and will prepare and submit its final recommendation within the time period specified by the Commission in this proceeding.

GMC:s

KPSC Case No. 2021-00004 Commission Staff's Rehearing Data Requests Dated August 19, 2021 Supplemental Item 1 Attachment 14 Page 6 of 10

#### PUBLIC SERVICE COMMISSION OF WEST VIRGINIA

## INITIAL STAFF INTERNAL MEMORANDUM

- DATE: December 15, 2021
- TO: Lucas Head, Staff Attorney Legal Division
- FROM: Jim Weimer, P.E. Engineer Engineering Division
- SUBJECT: Case No. 21-0810-E-PC Appalachian Power Company and Wheeling Power Company Petition for Consent and Approval to enter into an Ownership and Operating Agreement for the Mitchell Power Plant

On November 19, 2021 a Joint Certificate Application was filed by the Appalachian Power Company and Wheeling Power Company for a review of a revised Ownership and Operating Agreement for the Mitchell Power plant. The filing contained the Direct Testimony from APCO Company President Christian T. Beam and Kentucky Power Company VP Timothy C. Kerns. The filing included both a current and newly proposed Operating and Maintenance (O&M) Agreements for the two 800 MW Mitchell coal powered steam turbine units jointly owned and operated by Wheeling Power Company (WPCO) and the Kentucky Power Company (KPCO).

The revised O&M Agreements are needed as a result of the Final Orders by the Kentucky Public Service Commission (KPSC) and West Virginia Public Service Commission (WVPSC) which differed on allowing reimbursement for certain investments in environmental controls required by the new EPA Rules which were finalized in October 2020. The environmental controls primarily deal with the handling of Coal Combustion Residuals (CCR) which include boiler bottom as and stack fly ash and water generated and discharged from the plant site referred to by EPA as Effluent Limitation Guideline (ELG) requirements. The KPUC in Case No. 2021-00004 allowed investment to meet only the CCR requirements while denying investment in the ELG requirement. The WVPSC in Case No. 20-1040-E-CN allowed investment in both CCR and ELG. The KPUC investment only would have required the plants to cease coal operations by December 31, 2028 while the WVPSC investment would allow the plants to operate until 2050 and allowed the cost for that ELG option to be borne entirely by West Virginia customers. The difference in cost sharing for continued plant coal operations then required a new O&M Agreement which is the subject of this instant Case. Lucas Head, Staff Attorney Case No. 21-0810-E-CN Page 2

The filing contained the text of both the new and old Operating Agreements. It also included the Direct Testimonies of the APCO President Christian T. Beam and Timothy C. Kerns, VP of Generating Assets for Kentucky Power and Indiana Michigan Power, explaining the new individual responsibilities, differences and the current and future cost sharing defined in the proposed and existing Agreements.

Important changes noted in the new proposed Agreement as explained by Mr Beam are;

- WPCO will become the sole operator of the Mitchell Plant
- WPCO will purchase the KPCO 50% interest in the Mitchell plant on or before December 31, 2028 unless an early retirement requirement becomes necessary. The cost will be determined by a Fair Market Value analysis.
- WPCO will bear the full cost of the ELG upgrades in compliance with the new EPA Rules. KPCO will share the cost of the CCR requirement and other necessary capital expenditures with in service dates prior to December 31, 2028
- A technical expert will be hired to determine which capital expenditures are ELG specific
- All non ELG capital expenditures for the plant allocated at 50% of the expenditure multiplied by the appropriate years in-service ratio to 2028 to expected total life at the in service date
- All capital expenditures after 2028 will be the WPCO responsibility
- A capital and operating budget will be established for the period up to 2028 which must be approved by the current Operating Committee
- Voting rights for the Mitchell Operating Committee will remain at 50/50 for WPCO and KPCO members irrespective of capital investment differences.
- Early Termination of the current Mitchell Operating Agreement will still give the right to KPCO to designate a successor provided it is a Qualified Replacement Operator.
- The Mitchell Plant Ownership Agreement will remain effective until terminated by mutual Agreement or until a buyout of the KPCO interest is completed.

In addition, Mr Kern noted that;

• Kentucky Power as a 50% owner of the Mitchell plant is also the owner Operator of the plant.

Lucas Head, Staff Attorney Case No. 21-0810-E-CN Page 3

- The plant has a total rating of 1560 MW and the in service date for the plant was 1971
- The plant utilizes electrostatic participators for particulate control of stack gas, flue gas desulphurization and selective catalytic reduction for Sulphur removal and reuse. Low NOx burners and dry flyash handling. (The Sulphur removal and fly ash are used to produce a product for sale for drywall reuse)
- The plant Operating Committee consists of three (3) members two of which are voting members- Brett Mattison President and COO of Kentucky Power, Christian Beam President and COO of Wheeling Power and Mr. Kern, the non voting member representing American Electric Power Service Corporation (AEPSC). AEPSC provides engineering, maintenance and management services to KPCO.

Mr. Kern noted that under the proposed new Mitchell Agreement, he will continue to exercise managerial control over the Mitchell plant but his cost will now be billed to WPCo with an appropriate share billed to KPCO. Mr. Kern will take immediate action to transfer the Mitchell operating permit from KPCO to WPCo.

A recently announced pending sale of the KPCO interest in the Mitchell plant to Liberty may accelerate the need to have the new Operating Agreement approved. The Agreement notes that it anticipates that any buyer will be bound by the approved operating Agreement. That approval will ensure that no disruptions in Mitchell operations will occur

The Mitchell plant is planned to remain in operation until its scheduled retirement in 2040 once the ELG and CCR modifications are completed. The decision to remain as a coal power plant for the entire period was a Commission Order which differed slightly from the Engineering and Legal Staff recommendation that the plant consider a conversion to combined cycle gas by 2030. It is also noted that a significant amount of gas wells and plants as well as a large 30 inch pipeline are near the plant. Finally, multiple gas turbines are being developed to use pure hydrogen as a fuel. With that available the plant would be carbon free. That recommendation was an acknowledgement that a much more rapid reduction in carbon emissions would assist AEP to meet its carbon reduction goals as it concurrently developed other significant renewable energy sources. A converted plant could easily operate up to or past 2050 to take advantage of WV gas and hydrogen resources. Other proposed Federal programs to rapidly increase transportation electrification would require low carbon base load power to meet Federal and world climate goals.

As a result of Staff's Initial review of the proposed Operating Agreement, Staff requests the following information.

KPSC Case No. 2021-00004 Commission Staff's Rehearing Data Requests Dated August 19, 2021 Supplemental Item 1 Attachment 14 Page 9 of 10

Lucas Head, Staff Attorney Case No. 21-0810-E-CN Page 4

- 1. Will the agreement to sell to liberty require changes to the proposed agreement?
- 2. Will the non-operator have the authority to either limit or mandate that the owner operator acquire renewable energy supplies such that the owner operator must refuse to dispatch generated energy to the owner operators customers demands for energy?
- 3. Which entity will select the technical expert AEPSC or KPCO/WPCO personnel?
- 4. What will be the qualifications of the new technical expert and what type of similar experience with a large plant ELG conversion will be required?
- 5. Which entity will pay for the technical expert and will the technical expert be involved in the preparation of the final design?
- 6. What is the current projected engineering and construction installed cost of the ELG work at both units. How does it differ from the cost submitted in the 20-1040 case? Were there any major engineering changes? What modifications changed the estimate provided? Please provide the detailed cost for each construction area and the new construction drawings.
- 7. Which entity will provide the O&M cost estimate for the ELG work?
- 8. The CCR materials in the BAP were and will continue to be generated by both the KPCO and WPCO plant operations. Those materials have and will continue to generate ELG waters. How will those ELG waters be handled generated prior to the recent Commision Order and costed until the mechanical CCR handling equipment and final ELG system will be operational?
- 9. When will the ELG cost allocation entirely to WPCO take effect?

Lucas Head, Staff Attorney Case No. 21-0810-E-CN Page 5

- 10. How will ELG waters generated at the coal storage piles during storm events be allocated and costed?
- 11. Will a possible future plant conversion to gas change the design of the new ELG transport, treatment and disposal? Will the new design account for that possibility?
- 12. Please provide the names of all of the engineering firms providing the ELG and CCR designs.
- 13. Please provide the names of all of the selected contractors currently working on ELG and CCR preparation work at the plant site.

Staff will continue its review and provide a final recommendation within the allowed time frame. The Case should be submitted to the Administrative Law Judge Division.

JCW:

KPSC Case No. 2021-00004 Commission Staff;s Rehearing Data Requests Dated August 19, 2021 Supplemental Item 1 Attachment 15 Page 1 of 7

## 1

## Public Service Commission of West Virginia

201 Brooks Street, P.O. Box 812 Charleston, West Virginia 25323



Phone: (304) 340-0300 Fax: (304) 340-0325

#### December 22, 2021

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Connie Graley, Executive Secretary Public Service Commission PO Box 812 Charleston, West Virginia 25323

Re: CASE NO. 21-0810-E-PC APPALACHIAN POWER COMPANY AND WHEELING POWER COMPANY

Dear Ms. Graley:

In accordance with the provisions of *Rules* 4.3.1 and 13.6.2 of the *Rules of Practice and Procedure* of the Public Service Commission of West Virginia (150 CSR 1, Effective February 8, 2019), enclosed for filing is an original and twelve copies of *Staff's First Data Request of Appalachian Power Company and the Wheeling Power Company* in the above-referenced proceedings.

A copy has been served upon all parties of record.

Sincerely,

Lucas Ř. Head, Staff Attorney West Virginia State Bar I.D. No. 11146

LRH/dt

Enclosures S:\\_Staff\_Files\LHead\Cases\2021 Cases\21-0810-E-PC APCo & Wheeling Power Company\Data Request to Companies.doc

KPSC Case No. 2021-00004 Commission Staff;s Rehearing Data Requests Dated August 19, 2021 Supplemental Item 1 Attachment 15 Page 2 of 7

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#### PUBLIC SERVICE COMMISSION OF WEST VIRGINIA CHARLESTON

## CASE NO. 21-0810-E-PC APPALACHIAN POWER COMPANY AND WHEELING POWER COMPANY

## STAFF'S FIRST DATA REQUEST OF APPALACHIAN POWER COMPANY AND WHEELING POWER COMPANY

In accordance with the provisions of *Rule 13.6* of the *Rules of Practice and Procedure* of the Public Service Commission of West Virginia (PSCWV), the Commission's Staff, by counsel, hereby requests of Appalachian Power Company and Wheeling Power Company (Companies), the following information and/or data to be served upon the Staff and upon the Executive Secretary as soon as possible, but no later than noon, January 11, 2022. If there are any objections to the requested information, please indicate within fourteen (14) days of receipt in accordance with *Rule* 13.6.4 of the Commission's *Rules of Practice and Procedure*. (150 CSR 1, Effective February 8, 2019).

Please note that a particular response should not be retained by the Companies until all responses have been prepared. A response should be forwarded to requesting party and to the Executive Secretary as soon as it is available. **NOTICE:** Documents submitted to the Public Service Commission of West Virginia may be 1) uploaded to its public website, 2) subject to public disclosure under the West Virginia Freedom of Information Act, and/or 3) subject to disclosure under the West Virginia Open Governmental Proceedings Act. Do not submit personal information with your filings. The Commission is not responsible for confidential or personal information included with your submission. A list of personal information is available here: http://www.psc.state.wv.us/Privacy\_Policy/WhatisPII.htm

Within twenty (20) days, please provide an original of the response to the

requested information to:

Lucas R. Head, Staff Attorney Legal Division, Public Service Commission of West Virginia Post Office Box 812 Charleston, West Virginia 25323

with a copy to:

Connie Graley, Executive Secretary Public Service Commission of West Virginia Post Office Box 812 Charleston, West Virginia 25323

Respectfully submitted this the 22<sup>nd</sup> day of December 2021.

STAFF OF THE PUBLIC SERVICE COMMISSION OF WEST VIRGINIA

By Counsel,

LUCAS R. HEAD WV State Bar I.D. No. 11146

KPSC Case No. 2021-00004 Commission Staff;s Rehearing Data Requests Dated August 19, 2021 Supplemental Item 1 Attachment 15 Page 4 of 7

## CASE NO. 21-0810-E-PC APPALACHIAN POWER COMPANY AND WHEELING POWER COMPANY

Staff requests the following:

- 1. Will the agreement to sell to liberty require changes to the proposed agreement?
- 2. Will the non-operator have the authority to either limit or mandate that the owner operator acquire renewable energy supplies such that the owner operator must refuse to dispatch generated energy to the owner operators customers' demands for energy?
- 3. Which entity will select the technical expert AEPSC or KPCO/WPCO personnel?
- 4. What will be the qualifications of the new technical expert and what type of similar experience with a large plant ELG conversion will be required?
- 5. Which entity will pay for the technical expert and will the technical expert be involved in the preparation of the final design?
- 6. What is the current projected engineering and construction installed cost of the ELG work at both units. How does it differ from the cost submitted in the 20-1040 case? Were there any major engineering changes? What modifications changed the estimate provided? Please provide the detailed cost for each construction area and the new construction drawings.
- 7. Which entity will provide the O&M cost estimate for the ELG work?
- 8. The CCR materials in the BAP were and will continue to be generated by both the KPCO and WPCO plant operations. Those materials have and will continue to generate ELG waters. How will those ELG waters be handled generated prior to the recent Commission Order and costed until the mechanical CCR handling equipment and final ELG system will be operational?
- 9. When will the ELG cost allocation entirely to WPCO take effect?

- 10. How will ELG waters generated at the coal storage piles during storm events be allocated and costed?
- 11. Will a possible future plant conversion to gas change the design of the new ELG transport, treatment and disposal? Will the new design account for that possibility?
- 12. Please provide the names of all of the engineering firms providing the ELG and CCR designs.
- 13. Please provide the names of all of the selected contractors currently working on ELG and CCR preparation work at the plant site.

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## PUBLIC SERVICE COMMISSION OF WEST VIRGINIA CHARLESTON

## CASE NO. 21-0810-E-PC APPALACHIAN POWER COMPANY AND WHEELING POWER COMPANY

#### **CERTIFICATE OF SERVICE**

I, LUCAS R. HEAD, Staff Counsel for the Public Service Commission of West

Virginia, hereby certify that I have served a copy of the foregoing Staff's First Data

Request of Appalachian Power Company and Wheeling Power Company upon all parties

of record by First Class United States Mail, postage prepaid this the 22<sup>nd</sup> day of

December 2021.

Keith D. Fisher, Esq. Senior Counsel, APCo and WPCo Appalachian Power Company 500 Lee Street East, Suite 800 Charleston, WV 25301

William C. Porth, Esq. Counsel, APCo and WPCo Robinson & McElwee PLLC PO Box 1791 Charleston, WV 25326

Anne C. Blankenship, Esq. Counsel, APCo and WPCo Robinson & McElwee PO Box 1791 Charleston, WV 25326 Derrick P. Williamson, Esq. Counsel, WVEUG Spilman Thomas & Battle, PLLC 1100 Bent Creek Blvd., Suite 101 Mechanicsburg, PA 17050

Barry A. Naum, Esq. Counsel, WVEUG Spilman Thomas & Battle, PLLC 1100 Bent Creek Boulevard, Suite 101 Mechanicsburg, PA 17050

Susan J. Riggs, Esq. Counsel, WVEUG Spilman Thomas & Battle PO Box 273 Charleston, WV 25321-0273

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Jason C. Pizatella, Esq. Counsel, WVEUG Spilman Thomas & Battle, PLLC PO Box 273 Charleston, WV 25321-0273

Robert F. Williams, Esq. Director Consumer Advocate Division 300 Capitol Street, Ste. 810 Charleston, WV 25301 Heather B. Osborn, Esq. Consumer Advocate Division 300 Capitol Street Suite 810 Charleston, WV 25301

John Auville, Esq. Consumer Advocate Division 300 Capitol Street, Ste. 810 Charleston, WV 25301

LUCAS R. HEAD West Virginia State Bar I.D. No. 11146

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Category	Accession	Filed	Document	Docket	Description	Class/Type	Security Level	Files
Submittal	20211213-5232	12/13/2021	12/13/2021	ER22- 453-000	(doc-less) Motion to Intervene of Energy Efficient West Virgini a, et. al. under ER2 2-453.	Intervention   Motion/Notice of Intervention	Public	<ul> <li>☑ Generate PDF</li> <li> <u>+</u> 1265928_Interv.txt      </li> </ul>
Submittal	20211210-5235	12/10/2021	12/10/2021	ER22- 452-000 ER22- 453-000	The Public Service Commission of Kent ucky submits Reque st to Reject filings or Alternatively Protest under ER22-452, et. al.	Comments/Protest   Comment on Filing	Public	Generate PDF FINAL Request to Reject and Protest.pdf
Submittal	20211210-5167	12/10/2021	12/10/2021	ER22- 453-000	Protest of Attorney General of Kentucky and Kentucky Indust rial Utility Customer s, Inc. under ER22- 453	Comments/Protest   Comment on Filing, Other Submittal   Government Agency Submittal	Public	Generate PDF + Protest of Ky. AG and KI UC FERC ER22-453-00 0.pdf
Submittal	20211206-5211	12/06/2021	12/06/2021	ER22- 452-000 ER22- 453-000	(doc-less) Notice of Intervention of the P ublic Service Commi ssion of Kentucky u nder ER22-452, et. al	Intervention   Motion/Notice of Intervention	Public	<ul> <li>Generate PDF</li> <li>1264633_Interv.txt</li> </ul>
Submittal	20211130-5228	11/30/2021	11/30/2021	ER22- 453-000	(doc-less) Motion to Intervene of Public Service Commission of West Virginia und er ER22-453.	Intervention   Motion/Notice of Intervention	Public	<ul> <li>Generate PDF</li> <li>1263343_Interv.txt</li> </ul>
Submittal	20211123-5086	11/23/2021	11/23/2021	ER22- 453-000 ER22- 452-000	(doc-less) Motion to Intervene of Kentuc ky Industrial Utility C ustomers, Inc. under ER22-453, et. al.	Intervention   Motion/Notice of Intervention	Public	Generate PDF +1262365_interv.txt
Submittal	20211122-5132	11/22/2021	11/22/2021	ER22- 453-000	(doc-less) Motion to Intervene of Kentuc ky Attorney General under ER22-453.	Intervention   Motion/Notice of Intervention	Public	Generate PDF
Submittal	20211122-5001	11/22/2021	11/19/2021	ER22- 453-000	Kentucky Power Co mpany submits tariff filing per 35.13(a)(2) (iii: New Mitchell Pla nt Agreements Conc urrence to be effecti ve 1/19/2022 under ER22-453 Filing Typ e: 10	Application/Petition/Request	Public	<ul> <li>Generate PDF</li> <li>1119 New Mitchell Agree ments 205 Filing - Filing Package.pdf</li> <li>FERC GENERATED TA RIFF FILING.rtf</li> </ul>
ssuance	20211122-3070 Expand Row	11/22/2021	11/22/2021	EC22-19- 000 EC22-20- 000 ER21- 530-002 ER21- 1280-000	Combined Notice of Filings #1, Novembe r 22, 2021: This noti ce contains informat ion concerning multi ple filings received b y FERC.	Notice   Formal Notice	Public	Generate PDF ← CNF112221.docx

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Category	Accession	Filed	Document	Docket	Description	Class/Type	Security Level	Files
Submittal	20211227-5247	12/27/2021	12/27/2021	ER22- 452-000	Motion to Intervene Out-of-Time of Ener gy Efficient West Vir ginia, et. al. under E R22-452.	Intervention   Motion to Intervene Out of Time	Public	<ul> <li>☑ Generate PDF</li> <li>              ← CAG&amp;EEWV Motion to I             ntervene Out-Of-Time .p             df      </li> </ul>
Submittal	20211210-5235	12/10/2021	12/10/2021	ER22- 452-000 ER22- 453-000	The Public Service Commission of Kent ucky submits Reque st to Reject filings or Alternatively Protest under ER22-452, et. al.	Comments/Protest   Comment on Filing	Public	■ Generate PDF FINAL Request to Reject and Protest.pdf
Submittal	20211206-5211	12/06/2021	12/06/2021	ER22- 452-000 ER22- 453-000	(doc-less) Notice of Intervention of the P ublic Service Commi ssion of Kentucky u nder ER22-452, et. al	Intervention   Motion/Notice of Intervention	Public	Generate PDF
Submittal	20211123-5086	11/23/2021	11/23/2021	ER22- 453-000 ER22- 452-000	(doc-less) Motion to Intervene of Kentuc ky Industrial Utility C ustomers, Inc. under ER22-453, et. al.	Intervention   Motion/Notice of Intervention	Public	Generate PDF
Submittal	20211122-5133	11/22/2021	11/22/2021	ER22- 452-000	(doc-less) Motion to Intervene of Kentuc ky Attorney General under ER22-452.	Intervention   Motion/Notice of Intervention	Public	<ul> <li>Generate PDF</li> <li>1262156_Interv.txt</li> </ul>
Issuance	20211122-3070 Expand Row	11/22/2021	11/22/2021	EC22-19- 000 EC22-20- 000 ER21- 530-002 ER21- 1280-000	Combined Notice of Filings #1, Novembe r 22, 2021: This noti ce contains informat ion concerning multi ple filings received b y FERC.	Notice   Formal Notice	Public	Generate PDF ← CNF112221.docx
Submittal	20211119-5269	11/19/2021	11/19/2021	ER22- 452-000	Wheeling Power Co mpany submits tariff filing per 35.13(a)(2) (iii: New Mitchell Pla nt Agreements: Own ership; Operation an d Maintenance to be effective 1/19/2022 under ER22-452. Fil ing Type : 10	Application/Petition/Request	Public	<ul> <li>Generate PDF</li> <li>119 New Mitchell Agree ments 205 Filing - Filing Package.pdf</li> <li>FERC GENERATED TA RIFF FILING.rff</li> </ul>

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#### VERIFICATION

The undersigned, Brett Mattison, being duly sworn, deposes and says he is President and COO of Kentucky Power Company, that he has personal knowledge of the matters set forth in the foregoing responses and the information contained therein is true and correct to the best of his information, knowledge, and belief after reasonable inquiry.

But Mattien

Brett Mattison

Commonwealth of Kentucky )

Case No. 2021-00004

County of Boyd

Subscribed and sworn before me, a Notary Public, by Brett Mattison this 3<sup>rd</sup> day of January 3, 2022.

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Scott F. Bishop Notary Public

My Commission Expires June 24, 2025

Notary ID Number: KYNP 32110

SCOTT E. BISHOP Notary Public Commonwealth of Kentucky Commission Number KYNP32110 My Commission Expires Jun 24, 2025