

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

Electronic Investigation of the)	
Service, Rates and Facilities of)	Case No. 2021-00370
Kentucky Power Company)	

REBUTTAL TESTIMONY OF
CYNTHIA G. WISEMAN
ON BEHALF OF KENTUCKY POWER COMPANY

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I. INTRODUCTION

1 **Q. PLEASE STATE YOUR NAME, POSITION, AND BUSINESS ADDRESS.**

2 A. My name is Cynthia G. Wiseman, and I am President and Chief Operating Officer of
3 Kentucky Power Company (“Kentucky Power” or the “Company”). My business address
4 is 1645 Winchester Avenue, Ashland, Kentucky 41101.

II. BACKGROUND

5 **Q. PLEASE SUMMARIZE YOUR EDUCATIONAL AND PROFESSIONAL**
6 **BACKGROUND.**

7 A. I received a Bachelor of Arts degree in Journalism with an emphasis in Public Relations
8 from Marshall University in Huntington, West Virginia, in 1989. I have also completed
9 the International Economic Development Council’s Economic Development Institute at
10 the University of Oklahoma. Prior to joining Kentucky Power, I spent the majority of my
11 career in public relations and customer outreach. I worked for a large public library system
12 in Charleston, West Virginia for 15 years. I joined Kentucky Power affiliate Appalachian
13 Power Company (“Appalachian Power”) in 2008 as a Communications Consultant where
14 I was responsible for overseeing customer communications within Appalachian Power’s
15 three-state territory. In 2013, I was promoted to External Affairs Manager/Lobbyist where
16 my duties included building and maintaining relationships while serving as company

1 liaison for local, state, federal government and community officials. I joined Kentucky
2 Power as Vice President, External Affairs and Customer Services in April 2018. In January
3 2023, I was named Interim President of Kentucky Power. I was promoted to my current
4 position in April 2023.

5 **Q. WHAT ARE YOUR PRINCIPAL AREAS OF RESPONSIBILITY WITH**
6 **KENTUCKY POWER?**

7 A. I am responsible for the safe, reliable, and efficient day-to-day operations of Kentucky
8 Power and am accountable for the Company's financial performance and the quality of the
9 service provided to our customers. Specifically, I am accountable for the Company's
10 distribution, customer service, transmission, and generation functions to provide safe,
11 adequate, and reliable service to Kentucky Power's customers. Additionally, my
12 responsibilities include Kentucky Power's community involvement and economic
13 development activities, as well as ensuring the Company's compliance with federal and
14 state laws and regulations.

15 **Q. HAVE YOU PREVIOUSLY TESTIFIED IN ANY REGULATORY**
16 **PROCEEDINGS?**

17 A. Yes. I have testified on behalf of Kentucky Power in the Company's 2020 and 2023 base
18 rate cases, Case Nos. 2020-00174 and 2023-00159.

III. PURPOSE OF REBUTTAL TESTIMONY

19 **Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY IN THIS**
20 **PROCEEDING?**

21 A. The purpose of my rebuttal testimony is to respond to certain arguments advanced by
22 Attorney General-Kentucky Industrial Utility Customers ("AG/KIUC") Witness Kollen,

1 much of which is outside the scope of this proceeding, and to provide an overview of
2 Kentucky Power's rebuttal testimony. My testimony also demonstrates that the
3 Commission should consider issues that Mr. Kollen raises concerning the future of
4 Kentucky Power's interest in the Mitchell Plant in a separate, future case, and not in this
5 show cause proceeding.

**IV. SCOPE OF THIS PROCEEDING AND
ORGANIZATION OF THE COMPANY'S REBUTTAL TESTIMONY**

6 **Q. DOES AG/KIUC WITNESS KOLLEN'S DIRECT TESTIMONY IN THIS CASE
7 ADDRESS ISSUES THAT ARE WITHIN THE SCOPE OF THIS PROCEEDING?**

8 A. No. As noted in Company Witness West's Direct Testimony, the Commission's December
9 1, 2023 Order in this case identifies that the purpose of this proceeding is for the
10 Commission "to gather evidence ... [demonstrating] whether Kentucky Power is meeting
11 its legal obligation to provide adequate electric service in its service territory, which
12 includes the legal obligation to have sufficient capacity to serve customers' energy needs."¹
13 Mr. Kollen's testimony does not address these topics. Instead, it covers other topics
14 including:

- 15 • The relatively recent performance of the Mitchell Plant, which the Company
16 has an interest in, and the Rockport Plant, which the Company has a capacity-
17 only contract for, focusing on the *cost* rather than *reliability* of service;
- 18 • The Company's transmission costs, including American Electric Power Service
19 Corporation's ("AEPSC") pending review of how transmission costs are
20 allocated to and among the Company and the other AEP operating companies

¹ Order at 8 (Dec. 1, 2023).

1 in PJM, and Mr. Kollen's high-level opinions about what that review should
2 include;

- 3 • Unspecific criticisms about the Company's distribution investment and
4 maintenance practices and expenses, including storm restoration expenses that
5 the Commission has confirmed the Company prudently incurred²; and
- 6 • The future of Kentucky Power's ownership interest in the Mitchell Plant and
7 the recovery of the Company's prudent and Commission-approved investment
8 in that facility.

9 None of these topics are within the scope of this proceeding, the focus of which is
10 retrospective and concerns whether the Company has met its obligations to have sufficient
11 capacity to serve customers' energy needs.

12 **Q. SHOULD THE COMMISSION EVALUATE THE ISSUES THAT MR. KOLLEN**
13 **HAS RAISED THAT GO BEYOND THE SCOPE OF THIS PROCEEDING?**

14 A. No. The Commission should decline to expand the scope of this proceeding to address
15 those issues. The Company has advanced the legal bases for this position in the Motion to
16 Strike that it has filed contemporaneously with its rebuttal testimony. Practically, it is
17 unnecessary and unreasonable to use this backward-looking case that is focused on the
18 provision of adequate service to evaluate the transmission cost allocation and Mitchell
19 issues that will be before the Commission in the future. It is also unnecessary and
20 inappropriate to relitigate in this proceeding distribution investment and maintenance

² Order at 48, ¶10, *In The Matter Of: Electronic Application Of Kentucky Power Company For (1) A General Adjustment Of Its Rates For Electric Service; (2) Approval Of Tariffs And Riders; (3) Approval Of Accounting Practices To Establish Regulatory Assets And Liabilities; (4) A Securitization Financing Order; And (5) All Other Required Approvals And Relief*, Case No. 2023-00159 (Ky. P.S.C. January 10, 2024).

1 issues that were just evaluated as part of a robust record in the Company’s 2023 base rate
 2 case, which the Commission decided last month.

3 **Q. HAS THE COMPANY’S REBUTTAL TESTIMONY NONETHELESS**
 4 **ADDRESSED EACH OF MR. KOLLEN’S ARGUMENTS?**

5 A. Yes, in the interest of fully responding to Mr. Kollen’s testimony while the Commission
 6 considers the Company’s motion to strike, the Company’s rebuttal testimony responds to
 7 each of the areas Mr. Kollen has raised. The Company’s rebuttal testimony is organized
 8 as follows:

WITNESS	TOPICS
Cynthia G. Wiseman	AG/KIUC Witness Kollen’s testimony inappropriately addresses issues that are outside the scope of this proceeding. The Company’s rebuttal testimony fully addresses and rebuts each of the areas open which Mr. Kollen opines. The Commission should address issues related to transmission cost allocation and the future of the Mitchell Plant in separate proceedings and based upon fully developed records regarding those issues.
Timothy C. Kerns	AG/KIUC Witness Kollen’s assertion that the Mitchell Plant’s performance is “poor” is incorrect and is inappropriately and selectively based on a single performance metric and comparison to an unrepresentative single generating facility.
Alex E. Vaughan	AG/KIUC Witness Kollen’s allegation that Mitchell’s performance led to higher market purchases is overly simplistic and unsupported. The evidence shows that the Company’s actions have benefitted customers and the Company has provided, and continues to provide, reasonable service to its customers via its generation fleet and participation in PJM.
Jeff Plewes	AG/KIUC Witness Kollen’s review of the Mitchell units’ capacity factors and net availability factors is overly

	<p>simplistic and does not support Kollen's conclusions about Mitchell's performance.</p> <p>The evidence shows that the Mitchell units contributed to the Company's capacity obligation and have operated at reasonable levels.</p>
Tony Clark	<p>AG/KIUC Witness Kollen's attempted injection of issues outside the scope of this proceeding is inappropriate, and those issues should be considered in the context of the proper cases, not in this proceeding.</p>
Stephen D. Blankenship	<p>AG/KIUC Witness Kollen's statement that Kentucky Power has historically underinvested in its distribution system thereby leaving the Company more vulnerable to extensive damage from severe weather events is unsupported and does not factor in the historic nature of three catastrophic events that occurred throughout the Company's service territory from 2020 to 2023.</p> <p>The evidence demonstrates that, when those unprecedented events are excluded, the Company's storm restoration expenses and timing are reasonable.</p>
Eugene L. Shlatz	<p>AG/KIUC Witness Kollen's claim that Kentucky Power has historically underinvested in its distribution system thereby leading to less than acceptable reliability performance is unfounded and contrary to the evidence.</p> <p>The facts demonstrate the Company has reasonably invested in its distribution system and is in line with its peer utility both in terms of reliability performance and capital investment in its system.</p>

**V. TRANSMISSION COST ALLOCATION AND THE FUTURE OF KENTUCKY
POWER'S INTEREST IN THE MITCHELL PLANT**

1 **Q. HOW DO YOU RESPOND TO MR. KOLLEN'S SUGGESTIONS THAT**
2 **TRANSMISSION COST ALLOCATION ISSUES, THE DISPOSITION OF THE**
3 **COMPANY'S INTEREST IN THE MITCHELL PLANT, AND THE VALUE THE**
4 **COMPANY SHOULD RECEIVE FOR ITS MITCHELL INTEREST SHOULD BE**
5 **ADDRESSED IN THIS PROCEEDING?**

6 A. As further discussed by Company Witness Clark, these issues should be addressed in a
7 future, forward-looking proceeding. Doing so will enable the Company and any other
8 parties to such proceedings to develop a complete record upon which the Commission can
9 make an informed decision, based upon a complete record and evidence, which does not
10 and cannot yet exist, about the Company's allocation of PJM transmission costs, the future
11 of the Company's interest in Mitchell and the recovery of the Company's legacy
12 investment in Mitchell to customers' benefit.

13 **Q. PLEASE EXPLAIN WHAT YOU MEAN ABOUT EVIDENCE THAT DOES NOT**
14 **YET EXIST.**

15 A. As the Commission is aware, AEPSC has initiated a review process to examine how PJM
16 transmission costs are allocated to and among the Company and the other AEP operating
17 companies operating in PJM, focusing primarily on cost allocation in the AEP Zone in
18 PJM.³ To provide transparency about the status of that analysis, the Company has been
19 filing updates about the progress of AEPSC's review every 30 days in Case No. 2023-
20 00159, and it will continue to do so until the analysis is complete and recommendations

³ See, e.g., Case No. 2023-00159, Direct Testimony of Joshua D. Burkholder at 15-18 (June 29, 2023).

1 from it are submitted to the Commission.⁴ The results of AEPSC’s transmission analysis,
2 when available, will directly bear on the Commission’s concerns about the Company’s
3 transmission investment and expenses.

4 With regard to the future of the Mitchell plant, in light of the Commission’s July
5 15, 2021 Order in Case No. 2021-00004, denying the Company’s request to construct
6 upgrades required to comply with the Effluent Limitation Guidelines Rule at Mitchell, and
7 recent discussion during the Company’s late-November 2023 base rate case hearing, I
8 directed in January 2024 that AEPSC undertake an economic analysis to reevaluate
9 Kentucky Power’s options for its interest in the Mitchell Plant.⁵ That analysis is underway
10 but has not yet been completed. The Company also is presently reviewing the bids received
11 in November 2023 in response to its all-source RFP for purchase power generation
12 resources. Finally, the Company’s current integrated resource plan (“IRP”) filing is
13 pending in Case No. 2023-00092, and a hearing in that proceeding will be scheduled in the
14 future. The results of the Mitchell economic analysis that I requested, the results of
15 Company’s analysis of RFP responses, and any guidance the Commission provides
16 regarding the Company’s pending IRP may all provide additional information bearing on
17 Kentucky Power’s future options for the Mitchell Plant.

18 **Q. WHAT ARE THE COMPANY’S NEXT STEPS REGARDING MITCHELL?**

19 A. At a January 31, 2024 meeting of the Mitchell Operating Committee, Aaron Walker, the
20 President and Chief Operating Officer of Mitchell Plant’s co-owner Wheeling Power
21 Company (“Wheeling Power”), and I discussed the tension between the orders that this

⁴ *Id.*

⁵ See Kentucky Power Company’s Supplemental Response to AG-KIUC’s Second Set of Data Requests, Item 4, at KPCO_SR_AG_KIUC_2_4_Attachment1 (Feb. 8, 2024).

1 Commission and the West Virginia Public Service Commission have issued concerning the
2 Mitchell Plant's future.⁶ I also discussed the Mitchell economic analysis that I directed to
3 be performed.⁷ The Mitchell Operating Committee resolved that Kentucky Power and
4 Wheeling Power will enter into further discussions to determine the Mitchell Plant's future
5 and that each company will convene appropriate processes or proceedings, and present
6 information to and seek feedback from stakeholders and their respective public service
7 commissions, including through one or more public forums, to better define their interests
8 for a mutually acceptable resolution.⁸ To avoid negative impacts on customers, Mr. Walker
9 and I agreed that issues concerning Mitchell's future should be resolved prior to the first
10 deadlines in October 2025 leading up to the PJM base residual capacity auction for the
11 2028-2029 Delivery Year.

12 Contrary to Mr. Kollen's unfounded concerns about the future disposition Mitchell,
13 based on testimony cherry-picked from a case not about the disposition of Mitchell,⁹ the
14 Company anticipates commencing a process or proceeding before this Commission
15 regarding the Mitchell plant and with an opportunity for all stakeholders to participate. The
16 Company will determine the appropriate format in which to proceed, and will pursue all
17 required Commission approvals, based upon the results of the economic analysis, RFP
18 analysis, and IRP proceeding I described earlier.

⁶ *Id.*

⁷ *Id.*

⁸ *Id.*

⁹ Direct Testimony of Lane Kollen at 11-12.

VI. CONCLUSION

1 Q. **DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?**

2 A. Yes.

VERIFICATION

The undersigned, Cynthia G. Wiseman, being duly sworn, deposes and says she is the President and Chief Operating Officer for Kentucky Power Company, that she has personal knowledge of the matters set forth in the foregoing testimony and the information contained therein is true and correct to the best of her information, knowledge, and belief after reasonable inquiry.

Cynthia G. Wiseman

Cynthia G. Wiseman

Commonwealth of Kentucky)
)
County of Boyd)

Case No. 2021-00370

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Cynthia G. Wiseman, on 2/16/24.

Marilyn Michelle Caldwell
Notary Public



My Commission Expires May 5, 2027

Notary ID Number KY NP7841