

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

An Electronic Examination Of The)	
Application Of The Fuel Adjustment Clause)	
Of Kentucky Power Company From)	
November 1, 2020 Through October 31, 2022)	Case No. 2023-00008
)	
)	
)	

REBUTTAL TESTIMONY OF
TIMOTHY C. KERNS
ON BEHALF OF KENTUCKY POWER COMPANY

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TABLE OF CONTENTS

I.	INTRODUCTION	1
II.	BACKGROUND.....	1
III.	PURPOSE OF REBUTTAL TESTIMONY	4
IV.	MITCHELL PLANNED OUTAGES	5
V.	CONCLUSION.....	10

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I. INTRODUCTION

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

3 A. My name is Timothy C. Kerns. My business address is 1 Riverside Plaza, Columbus,
4 OH, 43215. In January 2024, I accepted the position of Senior Vice President Fossil
5 Hydro Generating Assets for American Electric Power Service Corporation
6 (“AEPSC”). Immediately prior to my current role, I was Vice President of Generating
7 Assets for Appalachian Power Company (“Appalachian Power”) and Wheeling Power
8 Company (“Wheeling Power”) beginning in April 2023. Appalachian Power and
9 Wheeling Power are wholly owned subsidiaries of American Electric Power Company,
10 Inc. (“AEP”). Prior to that, I was Vice President of Generating Assets for Kentucky
11 Power Company (“Kentucky Power” or “the Company”) and Indiana Michigan Power
12 Company (“I&M”) from 2020 to 2023.

II. BACKGROUND

13 **Q. PLEASE BRIEFLY DESCRIBE YOUR EDUCATIONAL BACKGROUND**
14 **AND BUSINESS EXPERIENCE.**

15 A. I earned a Bachelor of Science in Mechanical Engineering Degree from West Virginia
16 Institute of Technology and have been employed by AEP system companies for 35

1 years. I have worked at various power plants across the AEP System since 1989 in
2 various positions including as a Performance Engineer, a Maintenance Engineer, and a
3 Plant Manager where, among other things, I performed, directed, and managed outage
4 and non-outage maintenance and capital work. Specifically, from 1989 to 1996 I was
5 a Performance, Maintenance and Environmental Engineer at the Philip Sporn Plant;
6 from 1996-1998 I was an Equipment Troubleshooting Specialist for the Regional
7 Services Organization (“RSO”); from 1998-1999 I was a Zone Superintendent for the
8 RSO; from 1999-2000 I was a Regional Engineer Manager; from 2001 to 2006 I was
9 the RSO Manager; from 2006-2011 I was the Plant Manager at the Tanners Creek and
10 Lawrenceburg Plants; from 2011 to 2017 I was the Plant Manager at the Rockport
11 Plant; from 2017 to 2020 I was the Managing Director of Generating Assets for I&M;
12 and from 2020 to 2023 I was the Vice President of Generating Assets for Kentucky
13 Power, Wheeling Power and I&M; and 2023 to 2024 I was the Vice President of
14 Generating Assets for Appalachian Power and Wheeling Power.

15 **Q. PLEASE BRIEFLY DESCRIBE YOUR DUTIES AND RESPONSIBILITIES AS**
16 **SENIOR VICE PRESIDENT FOSSIL HYDRO GENERATING ASSETS FOR**
17 **AEpsc.**

18 A. In my new role I am responsible for the safe, reliable, and economic operation of the
19 fossil-fueled generating assets owned and operated by AEP’s operating companies.
20 Specifically, I plan, organize, coordinate, direct, and control plant activities, including
21 the operations, maintenance, engineering, and construction of the plant facilities. I also
22 oversee plant budgets and interface with other AEP functional groups such as
23 Accounting, Regulatory, and Commercial Operations to ensure the needs of the

1 generating plants are met. Additionally, I am responsible for any decommissioning,
2 demolition, and disposition of generating assets owned or operated by AEP's operating
3 companies.

4 **Q. PLEASE EXPLAIN YOUR FAMILIARITY WITH KENTUCKY POWER**
5 **GENERATING ASSETS.**

6 A. In my former role as Kentucky Power's Vice President of Generating Assets, I was
7 responsible for the safe and reliable operation of Big Sandy Unit 1 and Mitchell Units
8 1 and 2 for over three years. More importantly, I was in the role throughout the review
9 period for this proceeding.

10 Prior to the adoption of the resolutions identified in the Written Consent Action
11 of the Mitchell Operating Committee, Kentucky Power was Mitchell Plant's operator
12 until September 1, 2022. Until that time, I also had overall responsibility for the
13 operation and maintenance of the Plant as the Company's Vice President of Generating
14 Assets. I am familiar with the day to-day operation of the Mitchell Plant as a result of
15 my previous responsibilities in the oversight of Plant personnel in connection with the
16 safe, reliable, and economic operation of the Plant. In this regard, my responsibilities
17 included interacting on a regular basis with the Mitchell Plant manager, who reported
18 directly to me, as well as with other Plant personnel in connection with both day-to-
19 day and longer-term Plant activities. In addition, I regularly review budgets, review
20 investments, and help plan the safe and reliable operation of that facility. I also continue
21 to participate as a non-voting member of Mitchell Plant Operating Committee.

22 **Q. HAVE YOU PREVIOUSLY TESTIFIED IN ANY REGULATORY**
23 **PROCEEDINGS?**

1 A. Yes. I have submitted testimony and testified on behalf of Kentucky Power before this
2 Commission in Case Nos. 2020-00174 (2020 base rate case), 2021-00370
3 (Investigation of Rates and Services), 2021-00421 (Mitchell Plant operating
4 agreements), and 2023-00159 (2023 base rate case). I have testified and submitted
5 post-hearing data request responses in Case No. 2022-00036 (6-month FAC review). I
6 have also submitted testimony on behalf of Wheeling Power before the West Virginia
7 Public Service Commission (“WVPSC”) in Case No. 21-0810-E-PC. In addition, I
8 have submitted testimony and testified on behalf of I&M before the Indiana Utility
9 Regulatory Commission in Cause Nos. 44967, 44511, and 45235, and the Michigan
10 Public Service Commission in Cause Nos. U-18370, U-20070, and U-20359. Finally,
11 I submitted testimony at the Federal Energy Regulatory Commission in AEP
12 Generating Company’s depreciation rate cases.

13

III. PURPOSE OF REBUTTAL TESTIMONY

14 **Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY IN THIS**
15 **PROCEEDING?**

16 A. The purpose of my testimony is to rebut the testimony of Lane Kollen (“Kollen
17 Testimony”), filed on behalf of the Office of the Attorney General of the
18 Commonwealth of Kentucky (“AG”) and the Kentucky Industrial Utility Customers,
19 Inc. (“KIUC”) (collectively, “AG-KIUC”) regarding the performance and availability
20 of the Company’s Mitchell coal-fired generation plant.

1 **Q. PLEASE SUMMARIZE YOUR REBUTTAL TESTIMONY.**

2 A. The Company continued prudent maintenance and operation of its generating units,
3 including Mitchell Units 1 and 2, during the two-year review period of November 2020
4 through October 2022. AG-KIUC Witness Kollen's characterization that Mitchell
5 exhibited "poor performance" during the review period, especially in October 2022, is
6 not accurate. Planned Outages, which are scheduled by the Company well in advance,
7 during traditional periods of lower power demand, and approved by PJM, are necessary
8 for the long-term availability and reliability of generating units and do not equate to
9 "poor performance." The Company does not control, dispatch, or schedule planned
10 outages for the Rockport Plant. Therefore, I have not included outage information for
11 Rockport.

IV. MITCHELL PLANNED OUTAGES

12 **Q. PLEASE DISCUSS THE TIMING AND REASONS FOR PLANNED OUTAGES**
13 **SCHEDULED BY THE COMPANY FOR ITS GENERATING UNITS.**

14 A. As discussed on page 3 of the direct testimony of Company Witness Rosenberger in
15 this proceeding, a Planned Outage is "an outage lasting several weeks to perform work
16 on major equipment groups that is not promptly required for the safe operation of the
17 unit. Planned Outages are scheduled approximately a year in advance and the dates of
18 the Planned Outages are approved by PJM."

19 **Q. IS IT A SIMPLE MATTER TO POSTPONE OR DELAY A PLANNED**
20 **OUTAGE ONCE IT HAS BEEN SCHEDULED?**

1 A. No. As discussed above, Planned Outages are scheduled far in advance, approximately
2 a year in advance of the work being performed. Contractors needed to complete the
3 work are in high demand and must be scheduled to be on-site well in advance to ensure
4 their availability. In addition, Company employees and equipment are also dedicated
5 to the Planned Outage work in advance.

6 **Q. DOES THE COMPANY GIVE CONSIDERATION TO PERIODS OF HIGH**
7 **CUSTOMER DEMAND WHEN SCHEDULING PLANNED OUTAGES?**

8 A. Absolutely. Historical weather and demand statistics are taken into consideration when
9 Planned Outages are scheduled. The traditional “shoulder” months, when power
10 demand is historically lower due to milder weather, are targeted as the most optimal
11 time to schedule Planned Outages. October is among the lowest demand months
12 historically and is often a month in which Planned Outages are scheduled. In addition,
13 PJM has rules that restrict the scheduling of Planned Outages during certain months.
14 Please see the rebuttal testimony of Company Witness Vaughan for more details
15 regarding Planned Outage scheduling.

16 **Q. PLEASE IDENTIFY THE PLANNED OUTAGES FOR THE MITCHELL**
17 **PLANT DURING THE REVIEW PERIOD.**

18 A. The Planned Outages for the Mitchell plant during the review period are provided
19 below in Table TCK-R1.

1 **Table TCK-R1 – Mitchell Plant Planned Outages (November 2020 – October 2022)**

Unit	Start Date	End Date	Description of Outage Reason / Work Performed
Mitchell 1	10/3/2020 4:37	11/25/2020 20:38	For #11 ID Fan Regulating Hub Replacement. Boiler inspect and repair, and Precipitator inspect and repair.
Mitchell 1	10/16/2021 0:00	12/12/2021 13:31	Boiler inspect and repair, BOP repairs, SCR Catalyst #4 layer replacement, Boiler Feed Pump Element replacement.
Mitchell 1	10/8/2022 0:00	11/19/2022 17:32	Boiler inspect and repair, Precip inspect and repair, Pulverizer/Feeder MATS inspect and repair, Economizer wash, Replace Precip Transformer power cables, Replace SCR XJ s 14,15 and 115, Replace Exit Duct XJ FGX-71009, Water Cannon upgrades, Ovation Evergreen upgrade, Inter-lock testing, HE Piping inspect and repair, CCR-ELG Pre-work.
Mitchell 2	3/6/2021 4:43	4/26/2021 2:19	ID Fan rebuilds, MATS inspections, and interlock checks.
Mitchell 2	9/10/2022 0:00	12/16/2022 14:25	Boiler inspect and repair, Cooling Tower inspect and repair, Low Pressure Turbine A"&"B" Valve replacement, CCR-ELG Pre-work.

2
3 **Q. DO THE PLANNED OUTAGE ACTIVITIES LISTED IN TABLE TCK-R1**
4 **CONTRIBUTE TO THE SAFE AND RELIABLE OPERATIONS OF THE**
5 **MITCHELL UNITS?**

6 **A.** Absolutely. Planned Outages are planned and scheduled months and years in advance
7 and are required to maintain the Mitchell units to ensure the generating units operate
8 safely, efficiently, and prevent issues from causing forced outages or derates during
9 times when the units are economical.

10 In addition, some of the activities listed in Table TCK-R1 such as FGD (flue
11 gas desulfurization) related projects allow the Company to remain in compliance with
12 environmental regulations. This also includes those outages beginning in 2022 related
13 to the Coal Combustion Residuals and Effluent Limitations Guidelines (CCR-ELG)
14 tie-ins projects. The CCR-ELG projects were also governed by a time line established
15 in those environmental regulations, and the Company worked diligently to meet those

1 timelines as efficiently as possible by performing necessary work during the shoulder
2 months.

3 **Q. WHY DIDN'T THE COMPANY SCHEDULE THE CCR-ELG OUTAGE**
4 **WORK TO A DATE IN THE FUTURE TO ALLOW FOR GREATER**
5 **MITCHELL PLANT AVAILABILITY TO OPERATE IN 2022?**

6 A. EPA mandated CCR-ELG in-service deadlines were the drivers for the need to
7 complete the project pre-work in 2022. For the CCR Rule, the compliance date was in
8 relation to the infeasibility of meeting the April 11, 2021 deadline to cease receipt of
9 CCR and non-CCR waste streams and develop alternative capacity. An extension
10 request had to be submitted by November 30, 2021 that provided a “detailed
11 explanation and justification for the amount of time being requested and how it is the
12 fastest technically feasible time to complete the development of the alternative
13 capacity.”¹ The last date possible in the rule was October 15, 2023. The Company
14 determined the “as soon as possible” compliance date for Mitchell Plant to complete
15 bottom ash pond closure was July 31, 2023. EPA did not rule on the extension request
16 before the project was completed, so the extension request was withdrawn.

17 For the ELG Rule, the deadline is December 31, 2025, but compliance must be
18 achieved as soon as possible under the rule. In both 2020 rules, CCR and ELG, the

¹ From EPA Regulation § 257.103

1 compliance deadlines had “no later than” dates but required the utilities to submit
2 project plans that demonstrated the soonest possible dates to be in compliance.

3 In addition, the decision to perform CCR-ELG pre-work and tie-in preparations
4 during Planned Outages prior to the actual tie-in outages demonstrated prudent decision
5 making and planning for the CCR-ELG Planned Outages. The Company took
6 advantage of Planned Outages that were going to occur regardless of the need to
7 perform CCR-ELG activities where the CCR-ELG activities fit within the outage
8 duration window without the need to extend the Planned Outage.

9 **Q. ARE THE COMPANY’S PLANNED OUTAGE SCHEDULING PROCESSES**
10 **REASONABLE AND PRUDENT?**

11 A. Yes. The Planned Outages discussed above were scheduled well in advance during
12 periods of low historical demand. In addition, PJM approved the Company’s Planned
13 Outage schedule which underscores the fact that the Company’s planning was
14 reasonable and prudent. The Company cannot pull generating units out of Planned
15 Outage activities on short notice due to the extensive nature of the work, which often
16 entails taking very complex plant components apart in order to perform the needed
17 work. Immediately pulling everything back together in order to operate during an
18 unexpected period of high demand is not realistic. Therefore, AG-KIUC Witness
19 Kollen is incorrect when stating that the Company’s units experienced “poor
20 performance” while they were on Planned Outage.

V. CONCLUSION

1 Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

2 A. Yes, it does.

