

NOV 29, 2019

Freddie Coleman
795 Kingdom come crk
Whitesburg, Ky 41858

RECEIVED

DEC 02 2019

PUBLIC SERVICE
COMMISSION

Kentucky public service Commission
Concerning case No. 2019-06389

Kentucky power has ask for \$11,877,342 for a selective Catalytic Reduction system at Rockport power plant in Indiana which is owned by Indiana - Michigan power Co. I ask the PSC to deny Ky. powers request because :

- ① PSC granted \$3,903,065 for selective catalytic Reduction technology for Rockport Unit 1 at last rate increase during case No. 2017-00179. "Ehibit 1"
- ② Now Ky power Co. is asking for the PSC to grant them \$11,877,342 for a selective Catalytic Reduction System for Unit 2 which Ky power don't own.
- ③ Rockport power plant consist of two 1300 MW generating units No 1 & No 2

together generating 2600 MW of electricity. Ky power co. has a 393 MW (UPA) agreement with Rock port power plant. Ky power customer should not have to pay to maintain both unit 1 and unit 2 at Rockport power plant, when unit 1 producing 1300 MW would more than fill the Ky. power co. (UPA) agreement of 393 MW easily with 907 MW left over.
"Ehibit 2"

④ Ky. power customers are now paying for two power plants Big sandy plant at Lousia, Ky. and 50% of Mitchell power plant in moundsville, W. Va. AEP is making a tons of money of the sale of mitchell power plant, and decommission of Big sandy plus interest. AEP and Ky. power co. is overloading it customers with debt and interest on debt any way they can.

⑤ AEP owns both Ky power co - Indiana michigan power. AEP is no fool they will write agreements to benefit themselves. This is a conflict of interest.

Kentucky power customers do not own Rockport power plant. If the PSC grants this \$11,877,342 for selective Catalytic Reduction on Unit 2, what will Ky power customer have for their millions of dollars when this agreement expires. Nothing. This Rockport (UPA) agreement expires in year 2022 plus unit 1 will be decommission in 2028.

This Rockport (UPA) agreement is unfair to Ky power customers. It is unfair for Ky power customers to pay to maintain both units 1 & 2 at Rockport power plant when 1 unit producing 1300 MW will do the job.

Respectfully

Zeddie Coleman

the expenses associated with the Rockport UPA will be removed from rate base, which allows the regulatory asset to be funded without a change in rate base. However, if the lease is renewed, the deferred expenses will have to be recovered from future ratepayers, and possibly through an increase in rate base.¹¹³ The Commission recognizes that there are inherent risks associated with any deferral mechanism, especially since the deferral recovery is contingent upon not renewing the Rockport UPA. Given Kentucky Power's excess capacity and slow load growth, the Commission believes the benefits of the deferral outweigh the associated risks, and approves the Rockport Deferral Mechanism and the associated \$15 million decrease to rate base. The carrying charges associated with this rider shall be based on the WACC approved in this Order and are effective as of the date of this Order. This approval is for accounting purposes only, and the appropriate ratemaking treatment for this regulatory asset account will be addressed in Kentucky Power's next general rate case.

Environmental Surcharge Tariff E.S.

Kentucky Power proposed an addition to its Environmental Compliance Plan to recover the cost of installing Selective Catalytic Reduction ("SCR") technology at Rockport Unit 1, affecting the amounts collected under Tariff E.S. The project is discussed later in the Environmental Compliance Plan section of this Order. Kentucky Power estimated the revenue requirement for the SCR project to be \$3,903,065.¹¹⁴ The Commission finds the Rockport Unit 1 revenue requirement to be reasonable.

¹¹³ Satterwhite Settlement Testimony at S-13.

¹¹⁴ Elliott Testimony, Exhibit AJE-5.

Rockport Generating Station

Rockport Generating Station is a coal-fired power plant, located along the Ohio River in Ohio Township, Spencer County, Indiana, in the United States, near Rockport, Indiana. The power plant is located along U.S. Route 231 (segment known as the Abraham Lincoln Memorial Parkway), approximately one mile north of the William H. Natcher Bridge, spanning the Ohio River. It is operated by Indiana Michigan Power, a subsidiary of American Electric Power.

Contents

- History**
- Coal supply**
- Retirement**
- See also**
- References**
- External links**

History

Two identical non-cyclonic Babcock & Wilcox units (1,300 MW each^[2]) were launched into service in December 1984 and December 1988. They are among the largest coal units built. The plant is connected to the grid by 765 kilovolt transmission lines (the highest rated voltage used in the United States).^[3] The power plant features the tallest smokestack in Indiana, and is one of the tallest smokestacks in the world at 1,038 feet (316.4 m).^[4]

Coal supply

The coal is delivered to the plant by barges along the Ohio River. The plant burns in excess of seven million short tons of coal a year. To minimize cost, AEP

Rockport Generating Station



Rockport Generating Station as seen from near the Natcher Bridge

Country	United States
Location	Ohio Township, Spencer County, Indiana
Coordinates	37°55′32″N 87°02′02″W﻿ / ﻿37.925556°N 87.033889°W﻿ / 37.925556; -87.033889
Status	Operational
Commission date	Unit 1: December 1984 Unit 2: December 1988
Decommission date	Unit 1: 2028 (<i>planned</i>)
Owner(s)	Indiana-Michigan Power
	Thermal power station
Primary fuel	Subbituminous coal
Turbine technology	Steam turbine

announced in February 2018 that Rockport will rely solely on coal from the Powder River Basin in Wyoming.^[5]

Cooling towers	2 × Natural Draft
Cooling source	Ohio River
Power generation	
Units operational	2 × 1300 MW
Nameplate capacity	2600 MW
Capacity factor	48.0% (2017)
Annual net output	10,923 GWh (2017) ^[1]

Retirement

In July 2019, AEP announced that Rockport's Unit 1 will retire by the end of 2028. This was made in an agreement modification between AEP, the United States Environmental Protection Agency (EPA), several northeastern states, the Sierra Club, and other parties. The agreement allows AEP to achieve emission reduction goals while also shutting down Unit 1 without adding costly pollution control systems.^{[6][7]}

See also

- List of power stations in Indiana
- List of tallest chimneys in the world

References

1. <https://www.eia.gov/electricity/data/browser/#/plant/6166>
2. Rockport Power Plant on mesotheliomasymptoms.com (<http://www.mesotheliomasymptoms.com/rockport-power-plant>)
3. "Existing Electric Generating Units in the United States, 2006" (<http://www.eia.doe.gov/cneaf/electricity/page/capacity/capacity.html>) (Excel). Energy Information Administration, U.S. Department of Energy. 2006. Retrieved July 14, 2008.
4. Neville, Angela (October 1, 2009). "Top Plants: Rockport Power Plant, Rockport, Indiana" (<https://www.powermag.com/top-plants-rockport-power-plant-rockport-indiana/>). POWER Magazine. Retrieved July 21, 2019.
5. Matyi, Bob (February 27, 2018). "AEP unit's Rockport plant in Indiana to switch almost entirely to PRB coal" (<https://www.platts.com/latest-news/coal/louisville-kentucky/aep-units-rockport-plant-in-indiana-to-switch-21427594>). Platts. Retrieved February 28, 2018.
6. Lyman, Jill (July 19, 2019). "Coal unit shutting down at Rockport Power Plant" (<https://www.14news.com/2019/07/19/coal-unit-shutting-down-rockport-power-plant/>). WFIE-TV. Retrieved July 21, 2019.
7. McHenry, Melissa (July 18, 2019). "AEP Receives Approval to Modify New Source Review Consent Decree" (<https://www.aep.com/news/releases/read/1603/AEP-Receives-Approval-to-Modify-New-Source-Review-Consent-Decree>). AEP.com. Retrieved July 21, 2019.

External links

- Chimney Diagram (<http://www.skyscraperpage.com/diagrams/?b5945>)
- [1] (<http://www.courierpress.com/news/2010/jan/28/coal-fired-plans-for-future-rockport-plant-to-to/>)

NOV. 29, 2019

Freddie Coleman

795 Kingdom Come Cnk
Whitesburg, Ky 41858

Pertaining to Case No. 2019-00389
Rockport (UPA) agreement

Since late 2012 the coal industry started declining. Mines closed, preparation plants closed, Rebuilding shops closed, mine suppliers closed, Catipillar cut back layed off workers, engineering firms closed layed off workers, rail roads layed off. mines are still closing as of NOV. 2019. I think there is one mine producing coal in Letcher. at this time. People are leaving East Ky. to find work.

I ask the PSC to investigate to see if the Rockport (UPA) agreement is needed because:

- ① The demand for electricity is decreasing in all coal producing counties in East Ky. Mines have closed. People are leaving East Ky to find work. Exhibit 3
- ② 393 MW from Rockport (UPA) might have been needed during the decommission of

the Big Sandy plant at Lousia, Ky. The Big Sandy decommission is complete now with unit 1 generating 285 MW from natural Gas. plus 50% of Mitchell Power plant in W.va. generating 780 MW. Rockport (UPA) agreement should no longer be needed with the decline in demand from coal mining, its support industries plus people leaving to find work. Ehibit 5

③ I ask PSC to check all generating plants "Rockport, Big Sandy, and Mitchell" owned or leased by Ky. power co. to see how many MW is sold to Ky. Power co. customers. PSC needs to also check and see how many MW is sold to none-Kentucky customers on the grid by PJM. This will tell you how many MW is needed by Kentucky power customers, and if the Rockport (UPA) is needed

④ The PSC has defered 50 million dollars in lease payments owed to Rockport Power plant during case no. 2017-00179. to the next rate increase. It is not fair for the Ky power customers to pay Ehibit 4

5 million dollars a year lease, plus maintenance if this extra 393 MW is not needed and is sold on the grid by PJM to non-Ky power customers. All this is doing is increasing the debt that Ky power customers owe Rockport and AEP, making it harder for people to pay their electric bills. Exhibit

⑤ Before Big Sandy was decommissioned unit 1 generated 281 MW while unit 2 generated 816 MW. Now Nov. 2019 Big Sandy Unit 1 generates 285 from natural gas and 50% of Mitchell power plant is 780 MW Exhibit 5

Big Sandy before decommission		<u>Now</u> Nov. 2019
unit 1	281 MW	Big Sandy Unit 1 285
unit 2	<u>816 MW</u>	Mitchell <u>50% 780</u>
	1097 MW	1065M

Now Nov. 2019 Ky power own Big Sandy unit 1 and 50% of Mitchell producing 32 MW less than before the decommission of Big Sandy power plant.

I ask the PSC to look into this matter to see if this extra electricity from Rockport (UPA) is needed for Ky power Co. to supply its customers. If not needed I ask the PSC to cancel this Rockport (UPA) agreement. again: Kentucky power customers should not pay a \$5,000,000 lease for Rockport (UPA) agreement for electricity being sold across the U.S.A. to non-Ky power customers. When Big Sandy and Mitchell will provide all the electricity needed for all Ky power customers.

Respectfully

Zeddie Coleman

2017, with certain adjustments for known and measurable changes. 807 KAR 5:001

Section 16(1)(a)(1).⁶

12. **Reasons for the Adjusted Rates:** Kentucky Power's current rates are not fair, just, and reasonable, do not permit the Company to operate successfully, to maintain its financial integrity, to attract capital, to compensate its investors for the risks assumed, and do not provide the financial resources required to permit Kentucky Power to continue to provide adequate, efficient, and reasonable service throughout its service territory. More specifically, but without limitation, the proposed rates and tariff changes are required:

- ✓ (a) To recover annual revenue lost as a result of the decline in the Company's load since September 30, 2014 (the test year used to establish Kentucky Power's current rates).
- (b) To reduce the amount of off-system sales margins credited in calculating base rates.
- (c) To provide an annual return on the Company's incremental rate base.
- (d) To recover increased annual state and federal income tax expenses resulting from the synchronization of the Company's capital cost and structure in the application with the test period state and federal income tax expense.
- (e) To recover increasing net Federal Energy Regulatory Commission PJM Load-Serving Entity Open Access Transmission Tariff ("OATT") expenses.
- (f) To recover adjusted test year purchase power costs excluded from recovery through the Company's fuel adjustment clause and not included in the Company's current base rates.
- (g) To recover increased depreciation expense resulting from annualization of the Company's test year depreciation and updated Big Sandy Unit 1 depreciation rates.
- (h) To recover in full the reasonable expenses Kentucky Power incurs to provide safe and reliable service to its customers.

⁶ By Order dated May 24, 2017 in this proceeding, the Commission granted Kentucky Power's motion for leave to deviate from the requirements of 807 KAR 5:001, Section 12(1)(a) and to use of a historical test year ending February 28, 2017 in connection with this application.

- Establishment of deferral mechanisms for \$50 million in non-fuel, non-environmental Rockport UPA expenses.⁶
- Amendment of the Purchase Power Adjustment tariff ("Tariff P.P.A.") to recover incremental PJM Open Access Transmission Tariff ("OATT") Load Serving Entity ("LSE") charges and credits above or below net PJM OATT LSE charges and credits in base rates.⁷
- Amendment of Tariff P.P.A. as described in the Direct Testimony of Alex E. Vaughan ("Vaughan Direct Testimony") to collect from, or credit to, customers the amount of purchased power costs that are excluded from recovery through the Fuel Adjustment Clause ("FAC"), and gains and losses from incidental sales of natural gas purchased for use at Big Sandy Unit 1, but not used or stored.⁸
- Establishment of 20-year service life for Big Sandy Unit 1 for depreciation rates.⁹
- Establishment of a return on equity of 9.75 percent.¹⁰
- Agreement to lower the Kentucky Economic Development Surcharge rate ("Tariff K.E.D.S.") for residential customers and increase the rate for non-residential customers, with matching contribution by Kentucky Power.¹¹

⁶ *Id.* at paragraph 3.

⁷ *Id.* at paragraph 4.

⁸ *Id.* at paragraph 6.

⁹ *Id.* at paragraph 7.

¹⁰ *Id.* at paragraph 8.

¹¹ *Id.* at paragraph 10.

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY)
POWER COMPANY FOR (1) A GENERAL)
ADJUSTMENT OF ITS RATES FOR ELECTRIC)
SERVICE; (2) AN ORDER APPROVING ITS 2017)
ENVIRONMENTAL COMPLIANCE PLAN; (3) AN)
ORDER APPROVING ITS TARIFFS AND RIDERS;)
(4) AN ORDER APPROVING ACCOUNTING)
PRACTICES TO ESTABLISH REGULATORY)
ASSETS AND LIABILITIES; AND (5) AN ORDER)
GRANTING ALL OTHER REQUIRED APPROVALS)
AND RELIEF)

CASE NO.
2017-00179

ORDER

Kentucky Power Company ("Kentucky Power"), a wholly owned subsidiary of American Electric Power Company, Inc. ("AEP") is an electric utility that generates, transmits, distributes, and sells electricity to approximately 168,000 consumers in all or portions of 20 counties in eastern Kentucky.¹ Kentucky Power owns and operates a 285-megawatt ("MW") gas-fired steam-electric generating unit in Louisa, Kentucky, and owns and operates a 50 percent undivided interest in a coal-fired generating station in Moundsville, West Virginia; Kentucky Power's share consists of 780 MW. Kentucky Power obtains an additional 393 MW from Rockport (Indiana) Plant Generating Units No. 1 and No. 2 under a unit power agreement ("Rockport UPA"). Kentucky Power's transmission system is operated by PJM Interconnection, LLC ("PJM"), a regional

¹ Application at 2. Kentucky Power also furnishes electric service at wholesale to the Cities of Olive Hill and Vanceburg, Kentucky.