

**PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON**

CASE NO. 20-1040-E-CN

APPALACHIAN POWER COMPANY
and WHEELING POWER COMPANY
public utilities.

Application for a certificate of public convenience and necessity for the internal modifications at coal fired generating plants necessary to comply with federal environmental regulations and surcharge.

**NOTICE OF FILING, PUBLIC COMMENT HEARING, AND
EVIDENTIARY HEARING**

On December 23, 2020, Appalachian Power Company (APCo) and Wheeling Power Company (WPCo) (collectively Companies) filed a duly verified Application for a Certificate to make internal modifications at coal-fired generating plants in Putnam, Mason, and Marshall Counties.

According to the Companies, the proposed modifications are necessary to comply with federal environmental regulations at the Companies' Amos, Mountaineer, and Mitchell plants. The Amos plant is located approximately 15 miles northwest of Charleston, West Virginia, on the Kanawha River. The Mountaineer plant is located approximately 12 miles northeast of Point Pleasant, West Virginia, on the Ohio River. The Mitchell plant is located approximately 12 miles south of Moundsville, West Virginia, on the Ohio River.

The Companies provided construction estimates for several alternative projects. The estimate for APCo and WPCo construction costs necessary to allow all three plants to remain open until 2040 (Alternative 1) is approximately \$317 million. The estimate for APCo and WPCo construction costs necessary to allow Amos and Mountaineer to remain open until 2040 and Mitchell to remain open until 2028 (Alternative 2) is approximately \$286 million.

The construction will be phased-in over a four year period beginning in 2021. For Alternative 1 the Companies requested approval of the following surcharges in retail rates for the initial phase-in year from September 1, 2021 through August 31, 2022:

		Alternative 1 ECS Rates September 1, 2021 through August 31, 2022	
Tariff Schedule/Contract		(¢/kWh)	(\$/kW)
RS		0.041	
RS TOD On Peak		0.087	
RS TOD Off Peak		0.007	
SWS		0.037	
SGS		0.027	
SS	Secondary		0.101
	Primary		0.168
	AF	0.027	
GS TOD On-Peak	Secondary	0.045	
GS TOD Off-Peak	Secondary	0.015	
GS	Secondary		0.099
	Primary		0.099
	Subtransmission		0.067
	Transmission		0.209
	AF	0.027	
LCP	Secondary		0.175
	Primary		0.126
	Subtransmission		0.112
	Transmission		0.105
IP	Secondary		0.175
	Primary		0.126
	Subtransmission		0.112
	Transmission		0.105
OL		0.004	
SL		0.004	
Special Contract A			0.061
Special Contract B			
Special Contract C		0.068	
Special Contract D			0.110
Special Contract G			
Special Contract I			0.089
Special Contract J			0.025
Special Contract K			0.074

These rates represent the following project-related increases per year:

	<u>(\$)</u> Increase	<u>(%)</u> Increase
Residential	2,140,000	0.32
Commercial	1,020,000	0.31
Industrial	1,632,000	0.35

The Companies' only resale customer in West Virginia is Black Diamond Power Company.

The average residential customer using 1,000 kWh per month would experience a rate increase of \$.38 monthly or \$4.57 yearly under the Companies' proposal.

The proposed phase-one increases will produce approximately \$4.8 million annually in additional revenue, an overall increase of 0.33%. If approved, the surcharge will increase gradually each year during the four year phase-in of the plant upgrades.

The project completion is expected to be achieved in 2025/2026. At that time, the Companies project that the capital costs for the Alternative 1 project will result in a total annual revenue requirement of \$23.5 million. The projected surcharge rates upon substantial completion are projected to be as follows:

		Alternative 1 ECS Rates After Completion of Four Year Construction Phase-in	
Tariff Schedule/Contract		(¢/kWh)	(\$/kW)
RS		0.202	
RS TOD On Peak		0.426	
RS TOD Off Peak		0.034	
SWS		0.182	
SGS		0.133	
SS	Secondary		0.493
	Primary		0.824
	AF	0.133	
GS TOD On-Peak	Secondary	0.221	
GS TOD Off-Peak	Secondary	0.074	
GS	Secondary		0.492
	Primary		0.488
	Subtransmission		0.329
	Transmission		1.028
	AF	0.133	

LCP	Secondary		0.857
	Primary		0.621
	Subtransmission		0.550
	Transmission		0.518
IP	Secondary		0.857
	Primary		0.621
	Subtransmission		0.550
	Transmission		0.518
OL		0.020	
SL		0.019	
Special Contract A			0.298
Special Contract B			
Special Contract C		0.338	
Special Contract D			0.538
Special Contract G			
Special Contract I			0.438
Special Contract J			0.121
Special Contract K			0.365

The proposed increased rates and charges related to the project will produce approximately \$23.5 million annually in additional revenue, an increase of 1.62%, on substantial completion of the project.

The application is on file with and available for public inspection at the Public Service Commission, 201 Brooks Street, in Charleston, West Virginia. It is also available on the Commission web docket found at www.psc.state.wv.us. Select “Case Information” on left side of page, and type the case number above to view the Application and other documents filed in this case.

Because of the pandemic, a public comment hearing will be held by videoconference only on June 2, 2021, at 9:30 a.m. Directions to enter the public comment hearing will be posted on the Commission website, www.psc.state.wv.us, under the Hot Topics section by May 27, 2021.

The Public Service Commission will conduct an evidentiary hearing in this case on June 3, 2021, beginning at 9:30 a.m. and continuing to June 4, 2021, if necessary. The evidentiary hearing will be held in the Howard M. Cunningham Hearing Room, Public Service Commission, 201 Brooks Street, Charleston, West Virginia. Depending on the state of the COVID-19 pandemic at the time of the hearing, the entire evidentiary hearing may be held by videoconference. The Commission will issue further instructions regarding

this matter at a later date. The evidentiary hearing may be viewed live by videostream at www.psc.state.wv.us.

Anyone desiring to intervene in this proceeding should file a written petition to intervene by 4:00 p.m. May 4, 2021. Failure to timely intervene can affect your right to participate in the proceeding. Requests to intervene must comply with the Commission's rules on intervention. Anyone desiring to make written comment should file it at any time prior to the start of the evidentiary hearing. Electronic comment may be made at the above website using the case number for this case. All comments and requests to intervene should briefly state the reason for the comment or intervention. All comments, except those submitted electronically, or requests to intervene should be addressed to Connie Graley, Executive Secretary, Public Service Commission of West Virginia, P. O. Box 812, Charleston, West Virginia 25323.

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