

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



May 8, 2015

03:24 PM MAY 08 2015 PSC EXEC SEC DIV

Ingrid Ferrell, Executive Secretary
Public Service Commission
P. O. Box 812
Charleston, WV 25323

Re: Case No. 15-0722-E-P

Dear Ms. Ferrell:

Enclosed for filing are the original and twelve (12) copies of the "Staff's Petition to the Commission to Direct Appalachian Power Company to Submit Sufficient Information Justifying the Planned Closure of Electric Generating Plants" in the above-referenced proceeding.

As a courtesy, Staff is serving all parties of record in Case No. 13-0764-E-CN, Appalachian Power Company, dba American Electric Power because that was the proceeding in which the Companies filed a February 27, 2015 closed entry regarding planned plant closures.

Sincerely,

A handwritten signature in black ink that reads "John D. Little".

John D. Little
Staff Attorney

West Virginia State Bar I.D. No. 9907

JDL/cs

Enclosures

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**PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON**

CASE NO.

03:24 PM MAY 08 2015 PSC EXEC SEC DIV

**STAFF'S PETITION TO THE COMMISSION TO DIRECT APPALACHIAN
POWER COMPANY TO SUBMIT SUFFICIENT INFORMATION JUSTIFYING
THE PLANNED CLOSURE OF ELECTRIC GENERATING PLANTS**

Comes now the Staff of the West Virginia Public Service Commission Staff by John D. Little, Staff Attorney, and submits Staff's Petition to the Commission to Direct Appalachian Power Company to Submit Sufficient Information Justifying the Planned Closure of Electric Generating Plants, and in support thereof, states as follows:

1. On May 29, 2013, Appalachian Power Company (APCo) filed an Application for a certificate of convenience and necessity to convert Units 1 and 2 of the Clinch River Plant to burn natural gas. APCo requested authority to convert Units 1 and 2 of the Clinch River Plant (Clinch River) to burn natural gas because of the necessity to meet the environmental compliance obligations of the forthcoming Mercury and Air Toxics Standards Rule (MATS Rule). Case No. 13-0764-E-CN, Appalachian Power Company, dba American Electric Power.
2. APCo stated in the Clinch River Application that converting Clinch River Units 1 and 2 to burn natural gas is the least expensive option to meet the MATS Rule requirements and its capacity requirements.
3. Included in the Clinch River Application is the testimony of John F. Torpey. Mr. Torpey is employed by American Electric Power Service

Corporation as the Director-Integrated Resource Planning. Mr. Torpey states “APCo plans to retire 1,245 MW of coal-fired generating capacity prior to the 2015/2016 PJM plan year . . .” Case No. 13-0764-E-CN, Appalachian Power Company, dba American Electric Power, JFT-D at 6. Mr. Torpey also states APCo considered converting Kanawha River Units 1 and 2 and Sporn Units 1 and 3 to burn natural gas but concluded it was not economical to do so. Id., JFT-D at 6.

4. The Commission granted approval to convert Units 1 and 2 of the Clinch River Plant to burn natural gas but did not discuss the closure of other electric generating plants. Id., Commission Order, February 12, 2014.
5. In the Companies 2014 base rate case, Staff served Discovery Requests on APCo requesting it state whether it intended to seek Commission approval to retire the Kanawha River, Glen Lyn and Sporn Plants. On December 4, 2014, APCo answered that it “intended to make a filing with the Commission in the near future regarding the retirement of its Kanawha River, Glen Lyn, and Sporn Plants.” See, Case No. 14-1152-E-42T, Appalachian Power Company and Wheeling Power Company, both dba American Electric Power, Response to Staff’s Third Set of Discovery Requests, Request 3-31, December 4, 2014.
6. On February 27, 2015, APCo filed a document titled “Informational Filing Regarding Generation Unit Retirements” in the Clinch River certificate case. Paragraph 3 of this document states:

As the Company has indicated in various proceedings, other APCo coal-fired generating units are similarly affected by the MATS Rule. These generating units consist of Units 5 & 6 of the Glyn Lyn Plant, Units 1 & 2 of the Kanawha River Plant, and Units 1 & 3 of the Sporn Plant' (collectively, the "Disposition Units"). These units are not currently equipped with the environmental control facilities that would enable them to operate in compliance with the MATS Rule, and it would be cost-prohibitive to equip these units with such environmental facilities to enable them to operate after the effective date of the MATS Rule. In his direct testimony in this proceeding, Company witness John F. Torpey discussed the costs that would be associated with adding additional environmental controls to APCo's subcritical coal-fired units and concluded that adding these controls was "not economical." Company Exh. JFT-D at 6. Accordingly, the Companies have scheduled the retirement of the Disposition Units to occur by no later than June 1, 2015.

7. This "informational filing" also contains a footnote stating:

APCo notes that the other units of the Sporn Plant and the entirety of the Kammer Plant, which are all owned by AEP Generation Resources, Inc. and located in West Virginia, are also affected by the MATS Rule and will be retired.

8. The plants are scheduled to be retired no later than June 1, 2015.
9. The February 27, 2015 "informational filing" goes on to state that APCo "has taken appropriate measures to ensure that its customers continue to receive reliable, high quality electric service" once the plants are shut down.

10. APCo does not state whether the plants will merely be closed or torn down.
11. Staff notes that the last plant closure, the Cabin Creek Plant, by APCo were preceded by a filing at the Commission requesting authority to close the Cabin Creek Plant. See, Case No. 8961, Appalachian Power Company, Commission Interim Order, June 30, 1977.
12. Apart from declaratory statements by APCo that retirement of the plants is the best course of action, APCo has not provided the Commission any information to buttress its declarations. APCo seems to ask the Commission to trust it that closing the plants is the best course of action.
13. To determine if closing the plants is indeed the best course of action, the Commission needs considerably more information.
14. Staff thus requests the Commission initiate a new proceeding and direct APCo to file information sufficient for the Commission to evaluate the factors APCo believes justify a planned deactivation, or retirement of the plants, the options considered and the impact to customers.
15. Staff also requests the Commission direct APCo to submit the information as soon as possible, but in any event no later than 30 days, so that Staff can review the information and make a recommendation to the Commission and so that the Commission has sufficient time to review Staff's recommendation and the information submitted by APCo. The Commission made a similar request to Monongahela Power Company in the 2011 Monongahela Power Company ENEC case. In that case, the Commission

posed a series of questions to Monongahela Power that it wanted answered so that an informed decision could be made by the Commission regarding the closing of the electric plants. See, Case No. 11-1274-E-P, Monongahela Power Company and The Potomac Edison Company, doing business as Allegheny Power, Commission Order, April 2, 2012.

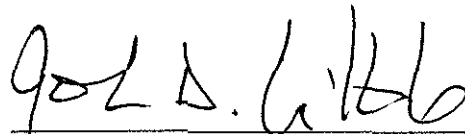
16. Staff further requests that the Commission direct APCo to not take any action with regards to the plants that are scheduled to be closed that would render them permanently inoperable.

Wherefore, Staff respectfully requests the Commission initiate a new proceeding and direct APCo to submit sufficient information to justify the planned closure of electric generating plants as soon as possible but, in any event, no later than 30 days and further direct APCo to not take any action with regards to the plants that would render them permanently inoperable until further order of the Commission.

Respectfully submitted this the 8th day of May 2015.

**STAFF OF THE PUBLIC SERVICE
COMMISSION OF WEST VIRGINIA**

By Counsel,



JOHN D. LITTLE, Staff Attorney
West Virginia State Bar I.D. No. 9907

**PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON**

CERTIFICATE OF SERVICE

I, JOHN D. LITTLE, Staff Counsel for the Public Service Commission of West Virginia, hereby certify that I, as a courtesy, have served a copy of the foregoing “Staff’s Petition to the Commission to Direct Appalachian Power Company to Submit Sufficient Information Justifying the Planned Closure of Electric Generating Plants” upon all parties of record in Case No. 13-0764-E-CN, Appalachian Power Company, dba American Electric Power because that was the proceeding in which the Companies filed a February 27, 2015 closed entry regarding planned plant closures, by First Class United States Mail, postage prepaid on the 8th day of May 2015.

William C. Porth, Esq. Counsel,
Appalachian Power Company
Brian E. Calabrese, Esq.
Robinson & McElwee PLLC
PO Box 1791
Charleston, WV 25326

Charles K. Gould, Esq.
Counsel, SWVA
Jenkins Fenstermaker PLLC
325 8th Street, 2nd floor
Huntington, WV 25701

Thomas E. Scarr, Esq.
Counsel, SWVA
Jenkins Fenstermaker PLLC
325 8th Street, 2nd floor
Huntington, WV 25701

Damon E. Xenopoulos, Esq.
Brickfield, Burchette, Ritts & Stone, PC
Counsel, SWVA
1025 Thomas Jefferson St., NW
Eighth Floor - West Tower
Washington, DC 20007

Keith D. Fisher, Esq.
Counsel, West Virginia Energy Users
Group
Spilman Thomas & Battle, PLLC
PO Box 273
Charleston, WV 25321-0273


Derrick P. Williamson, Esq.
Counsel, West Virginia Energy Users
Group
Spilman Thomas & Battle, PLLC
1100 Bent Creek Blvd., Suite 101
Mechanicsburg, PA 17050

Barry A. Naum, Esq.
Counsel, West Virginia Energy Users
Group
Spilman Thomas & Battle, PLLC
1100 Bent Creek Boulevard, Suite 101
Mechanicsburg, PA 17050

Susan J. Riggs, Esq.
Counsel, West Virginia Energy Users
Group
Spilman Thomas & Battle
PO Box 273
Charleston, WV 25321-0273

James R. Bacha
Counsel, Appalachian Power Company
and Wheeling Power Company
American Electric Power Service Corp.
PO Box 16631
1 Riverside Plaza
Columbus OH 43215-6631

Hector Garcia, Esq.
Counsel, American Electric Power
Service Corp.
American Electric Power Service Corp.
PO Box 16631
Columbus OH 43215-6631


JOHN D. LITTLE, Staff Attorney
W.Va. State Bar I.D. No. 9907