

**PUBLIC SERVICE COMMISSION  
OF WEST VIRGINIA  
CHARLESTON**

At a session of the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 16<sup>th</sup> day of June 2022.

CASE NO. 22-0352-E-GI

**WEST VIRGINIA COAL ASSOCIATION**

Petition to Initiate and Establish a Task Force to Assure Dependable and Affordable Electric Supply Recommendations.

**COMMISSION ORDER**

The Commission grants a petition and convenes a task force.

**BACKGROUND**

On April 6, 2022, the West Virginia Coal Association (WVCA) filed a petition requesting that the Commission convene a task force to consider the issues preventing Appalachian Power Company, Wheeling Power Company, Monongahela Power Company, and The Potomac Edison Company (collectively Companies) from operating their coal-fired power plants at higher capacity levels. The WVCA requested that the task force identify accurate forecasting models and expedite discussions regarding contract terms to allow coal suppliers to produce the necessary inventory to enable the Companies to serve the best interests of West Virginia electric utility ratepayers.

On May 6, 2022, Commission Staff filed an Initial and Final Joint Staff Memorandum recommending that the Commission deny the Petition filed by WVCA. Staff noted that the Commission is vested with broad authority over the practices and rate applications of investor-owned electric utilities including instituting a general investigation into the practices of an electric utility, disallowing an electric utility rate recovery of imprudently incurred purchased power costs, entering an order in any proceeding requiring reasonable utility practices in lieu of those found to be unreasonable or insufficient, requiring an electric utility to show cause why it failed to comply with lawful orders of the Commission, and ordering penalties for violations of Commission orders. Staff noted that the Commission typically exercises this broad authority through its orders in formal proceedings.

## DISCUSSION

The operation of coal-fired power plants and the cost of energy for the Companies and their customers are issues currently under consideration in Expanded Net Energy Cost (ENEC) proceedings. The Commission is currently monitoring the rising costs of energy for APCo and WPCo in Case No. 22-0393-E-ENEC, as well as monthly reports filed in Case No. 21-0339-E-ENEC and for Mon Power and PE in monthly reports filed in Case No. 21-0658-E-ENEC. Because the Commission has recently expressed concern over the rising cost of energy paid by the Companies, we believe the Companies and the WVCA should come together with Staff, the Consumer Advocate Division (CAD) and other interested parties to discuss ways to operate their generation plants at higher capacity factors so as to lower the costs recoverable from utility customers.

The Commission will open a general investigation in order to create a task force of stakeholders to investigate ways to decrease energy costs for West Virginia electric utility customers. The task force should include at least one member of technical staff and one member of legal staff. Legal Staff will chair the Task Force and make arrangements for an initial meeting within thirty days of the entry of this Order. Legal Staff will be required to file a memorandum indicating the initial meeting of the Task Force occurred and identify the members of the Task Force. The Commission directs each of the following entities to appoint a representative to the Task Force: APCo, WPCo, Mon Power, PE, WVCA, CAD, and any other party that may have an interest in operation of coal-fired generation plants by the Companies at a sixty-nine percent capacity factor, forecasting models, contract terms for coal suppliers, and other matters designed to reduce the cost of energy for the Companies and consumers. The Chair of the Task Force will select Task Force members from those other groups expressing interest so as to create a Task Force that will produce thoughtful and balanced recommendations for the Commission and the Companies.

The Commission will require a final report of the Task Force to be filed within six months of the initial meeting. Any committee member may file a response to the final report within two weeks of the filing of the final report.

The Commission will require the Executive Secretary to publish the attached notice one time in a statewide newspaper and post the notice on the Commission website. Any interested entity that does not wish to or cannot participate on the Task Force may file public comments with suggestions for reduction of energy costs and/or fuel costs.

### **FINDING OF FACT**

The WVCA requested that the Commission convene a task force to address issues surrounding the production of energy at the coal-fired power plants operated by the Companies.

### **CONCLUSION OF LAW**

The Commission should create a Task Force to consider fuel inventories, the cost of fuel and the amount of electricity produced at the Companies' coal-fired power plants.

### **ORDER**

IT IS THEREFORE ORDERED that the request of the West Virginia Coal Association for the Commission to create a task force to consider ways to decrease energy costs for West Virginia utility customers including operating at higher capacity factors so as to lower the costs recoverable from utility customers.

IT IS FURTHER ORDERED that Legal Staff will chair the Task Force and shall make arrangements for its initial meeting within thirty days of the date of this Order. Legal Staff shall file a memorandum confirming the initial meeting and identifying the members of the Task Force.

IT IS FURTHER ORDERED that Appalachian Power Company, Wheeling Power Company, Monongahela Power Company, The Potomac Edison Company, the West Virginia Coal Association and the Consumer Advocate Division each appoint a representative to the Task Force.

IT IS FURTHER ORDERED that the Executive Secretary of the Commission cause the attached Notice to be filed one time in a newspaper of statewide publication in West Virginia and post the notice on the Commission website.

IT IS FURTHER ORDERED that the Executive Secretary of the Commission shall change the case extension of this case from P to GI.

IT IS FURTHER ORDERED that the Executive Secretary of the Commission serve a copy of this Order by electronic service on the Consumer Advocate, each electric utility company operating in West Virginia, all parties of record who have filed an e-service agreement, by United States First Class Mail on all parties of record who have not filed an e-service agreement, and on Staff by hand delivery.

A True Copy, Teste,

A handwritten signature in cursive script that reads "Karen Buckley".

Karen Buckley, Executive Secretary

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**PUBLIC SERVICE COMMISSION  
OF WEST VIRGINIA  
CHARLESTON**

CASE NO. 22-0352-E-GI

Task Force to recommend affordable and dependable electric supply

**NOTICE OF FILING**

On April 6, 2022, the West Virginia Coal Association filed a petition requesting that the Commission create a task force to assure dependable and affordable electric supply recommendations. The Commission will create a task force of stakeholders to investigate ways to decrease energy costs for West Virginia electric utility customers.

Staff will appoint one representative each from technical Staff and legal Staff. The legal Staff representative shall serve as chair of the Task Force. The following entities also shall appoint a representative to the Task Force (i) Monongahela Power Company, (ii) The Potomac Edison Company, (iii) Appalachian Power Company, (iv) Wheeling Power Company, (v) any other electric utility that is regulated by the Commission and interested in participating on the Task Force, (vi) the Consumer Advocate Division, (vii) the West Virginia Coal Association, and (viii) any other party that may have an interest in ways to decrease energy costs for West Virginia utility customers, including operation of their generation plants at a higher capacity factor to lower the costs recoverable from utility customers. The chair of Task Force will select task force members from those groups expressing interest so as to create a task force that will produce thoughtful and balanced recommendations for the Commission.

Anyone desiring to participate on the Task Force in this proceeding should do so within twenty days following the date of this publication. Comments may be filed at any time until further order of the Commission. All requests to participate on the Task Force or comments should be addressed to Karen Buckley, Executive Secretary, P. O. Box 812, Charleston, WV 25323.