Public Service Commission of West Virginia

2022 Management Summary Report and the Electric and Natural Gas Utilities Supply-Demand Forecasts for 2023-2032

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Public Service Commission
of West Virginia

201 Brooks Street, P.O. Box 812
Charleston, West Virginia 25323

Charlotte R. Lane
Chairman

January 11, 2023

To: The Honorable James C. Justice, II, Governor of West Virginia, and Distinguished Members of the 86th West Virginia Legislature:

We are pleased to submit to you the 2022 Management Summary Report and the Electric and Natural Gas Utilities Supply-Demand Forecasts for 2023-2032. This report details how the Commission continues to meet our mission of ensuring fair and prompt regulation of public utilities; providing for adequate, economical and reliable utility services throughout the state.

In 2022, the Commission adjudicated over 1,700 formal cases, many of which generated significant public attention and ranged from complex major rate cases, massive quality of service problems and applications for projects costing hundreds of millions of dollars, to simple complaint cases. The Commission also processed over 9,300 informal cases last year, including customers experiencing payment issues, service restoration and billing problems. Commission Staff negotiated solutions, resolved communication problems and acted as a liaison between the utility and the customer. Staff was successful in resolving nearly 98% of these complaints at the informal level; 96% were resolved within 30 days, saving time and money for the customers, utilities and the Commission.

We are proud of our staff and the work it does on behalf of West Virginia.

When the Mt. Olive Correctional facility experienced a series of water outages, some lasting for extended periods of time, the PSC Engineering staff was out in the field for 10 consecutive days investigating leaks, coordinating limited resources, arranging for truckloads of bottled water to be delivered to the prison and actually climbing 30 feet up the sides of water tanks to check water levels because automated control systems were broken.

The Transportation Division was awarded the Top Specialized Enforcement Award from the Governor's Highway Safety Program for 2019-2021. This award was based on our combined efforts with GHSP aimed at commercial vehicles throughout the state.

Reggie Bunner, Manager of our Eastern Commercial Motor Vehicle Enforcement Section, was the recipient of the Cooperative Hazardous Materials Enforcement Development Chair's Award for Excellence this year. COHMED is part of the Commercial Vehicle Safety Alliance. The recipient of this prestigious honor is chosen by the COHMED program international chair; must have extensive experience in the commercial vehicle field, particularly in the area of hazardous materials; must have assisted COHMED through providing training and/or support; and have gone above and beyond in the performance of their duties in support of COHMED.

Some of the unsung heroes at the Public Service Commission are the staff of the Executive Secretary's Office. Only 15 in number, together they receive, process, forward to parties in cases and docket for public review approximately 17,500 documents each year.

In response to the COVID-19 pandemic, the Commission implemented an electronic filing system, allowing certain documents to be filed by e-mail. This has demonstrated that a comprehensive electronic case submission system is not only possible, but can streamline our case processing and docketing system. We subsequently implemented a pilot program for electronic filing submissions in 2022.

We hope you find this report informative and we look forward to continuing to work with you to serve the needs of West Virginia.

Respectfully submitted,

Charlotte R. Lane
Chairman

Renee A. Larrick
Commissioner

William B. Raney
Commissioner

2022 Management Summary Report

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Meet the Commissioners

Chairman Charlotte R. Lane

Charlotte R. Lane was appointed to the Public Service Commission and as Chairman on July 1, 2019. She previously served on the Commission from 1985-1989 and 1997-2003, serving as Chairman from 1997-2001. She has had a long career of public service in addition to her prior work on the Commission, having been elected to three terms in the West Virginia House of Delegates (1979-1980, 1991-1992 and 2017-2018) and serving on the U.S. International Trade Commission from 2003-2011, appointed by President George W. Bush. She has practiced law in state and federal courts in West Virginia for many years and has been admitted to practice in the Third and Fourth U.S. Circuit Courts of Appeals and the Supreme Court of the United States.

Chairman Lane has served as President of the West Virginia Bar Association, Mid-Atlantic Conference of Regulatory Utilities Commissioners (MACRUC) and the Charleston Rotary Club. She has also served on the Boards of Directors of the Rotary Foundation of Washington, D.C.; the National Association of Regulatory Utility Commissioners (NARUC); the Charleston Chamber of Commerce; the Board of Governors of the West Virginia State Bar and as a member of the West Virginia University College of Law Visiting Committee. Chairman Lane graduated from Marshall University with a Bachelor of Arts in Journalism and Political Science and received her Doctorate of Jurisprudence from the West Virginia University College of Law. She has been awarded the Justitia Officium Award from the WVU College of Law, the Distinguished Alumnus Award from Marshall University and is a Fellow of the American Bar Foundation and the West Virginia Bar Foundation.

She resides in Charleston. Her daughter, son-in-law and two grandchildren live in South Carolina.

Commissioner Renee A. Larrick

Renee A. Larrick was appointed to the Commission in July 2017 to a full term ending June 30, 2023. She is a member of the NARUC Water Committee and of MACRUC.

Prior to joining the Commission, she served as the business manager for a private law firm in Beckley, West Virginia. She has also taught on the college and high school levels in Raleigh County.

Commissioner Larrick has served on the Board of Directors of the United Way of Southern West Virginia and is the past President of the Raleigh County Garden Council, the Woodcliff Garden Club and the Black Knight Country Club Ladies Golf Association.

Commissioner Larrick is a graduate of Woodrow Wilson High School in Beckley and the University of Kentucky, where she earned a Bachelor's degree in Business and Economics with a concentration in Finance. She and her husband live in Daniels, West Virginia.

Commissioner William B. Raney

William B. "Bill" Raney was appointed to the Public Service Commission in August 2021 to a term ending June 30, 2027. Commissioner Raney retired as President of the West Virginia Coal Association, a position he held for over 28 years. He also worked for the West Virginia Mining and Reclamation Association and the West Virginia Department of Natural Resources' Division of Reclamation.

Commissioner Raney has served as Chairman of the West Virginia National Guard Foundation and the West Virginia Business & Industry Council. He has also served as a member of the West Virginia Department of Environmental Protection Advisory Committee, West Virginia Special Reclamation Advisory Council, Coal Resource Road Transportation Committee, the WVU School of Engineering Mining Program Visiting Committee, the Youth Leadership Association's Youth in Government Program and the West Virginia Kids Count Fund.

Commissioner Raney is also a former Elder at the First Presbyterian Church in Charleston and a retired Colonel in the West Virginia Army National Guard. A few of the many awards and recognitions he has earned include the Distinguished West Virginian, Who's Who in West Virginia Business, Most Loyal Alumni at WVU, inductee in the West Virginia Coal Hall of Fame, First Tee West Virginia Coal Miners Hall of Fame and the National Multiple Sclerosis Society Hope Award.

Commissioner Raney was born and raised in Mercer County. He earned a Bachelor's degree in Biology and a Master's degree in Public Administration from West Virginia University. He lives in Morgantown with his wife Pam. They have two children and four grandchildren.

2021 Key Performance Accomplishments & Statistics

Orders	Orders Issued	3,793
	General Orders	40
Hearings	Commission Hearings	35
	Administrative Law Judge Hearings	48
	Hearings Held Outside Charleston	33
	Public Comment Hearings	11
Mediation Program	Cases in Mediation Process	101
	Mediation Meetings	94
	Cases Successfully Mediated	57
Cases	Formal Cases Processed	1,769
	Consumer Questions & Inquiries Processed	3,840
	Informal Complaint Cases	9,324
	Assistance to Water and Wastewater Utilities	1,291
	Utility Audits Conducted	108
	Utility Annual Reports Reviewed	1,712
	WVIJDC Reviews Performed	299

	Water and Wastewater Seminars	7
	Transportation Safety Seminars	26
Seminars	Gas Pipeline Safety Seminars	6
	People Trained at Seminars	847
	Students Reached through Conservation Efforts	400

	CRTS Transactions Monitored	1.9 million
	CRTS Site Inspections	767
	Complaints to CRTS Hotline Investigated	37
Highway	Accidents Due to Overweight Coal Trucks	**Zero**
Safety	Trucks Inspected	19,964
	Buses Inspected	433
	Collected for DOH Transportation Fund	$2.3 million
	Notices of Violation Issued	389
	Collected for CRTS Violations	$312,482

	Rail Cars and Locomotives Inspected	26,770
Railroad	Defective Rail Cars Identified	1,435
Safety	Miles of Railroad Track Inspected	1,917
	Defective Track Conditions Identified	684
	Highway Rail-Grade Crossings Inspected	451

Gas Pipeline	GPS Inspections Performed	224
Safety	GPS Inspection Days	619

What the Public Service Commission Regulates

1. Electric utilities
2. Natural gas utilities
3. Landline services of telephone utilities
4. Certification of independent power producers or non-utility electric wholesale generation facilities in West Virginia, including wind, natural gas, landfill gas or other methane sources, solar, water, coal, renewable fuels and waste fuels
5. Intrastate transmission of gas and hazardous liquids, regulated gathering and gas distribution lines
6. Private and publicly owned water and sewer utilities (limited jurisdiction over rates of municipal and larger public service district water and sewer utilities)
7. Intrastate solid waste carriers
8. Commercial solid waste facilities (landfills)
9. Safety, weight and speed limit enforcement of all commercial motor vehicles (private fleet and common carrier vehicles) operating in the state, including motor carriers involved in interstate commerce, with emphasis on high accident areas
10. Transportation of hazardous materials, including identification, registration and permitting of commercial motor vehicles transporting such materials in and through the state
11. The Coal Resource Transportation System (CRTS)
12. Administration and enforcement of federal and state railroad safety regulations
13. Some motor carrier operations, including economic regulation of intrastate transportation of passengers (taxis and limousines) and towing services not arranged by the owner of a towed vehicle (third-party tows)
14. Middle mile fiber broadband expansion
15. Disputes involving utility pole attachments
16. Disputes involving telecommunication carriers sharing trenches
17. Allocation of Energy Intensive Industrial Consumers Revitalization Tax Credits
18. Cable television providers pursuant to the West Virginia Cable Television Systems Act

2021 Significant Proceedings

The Commission and its Staff act on thousands of cases each year. A few of those significant and novel proceedings from 2022 are summarized below.

Electricity

Generation Cases

Appalachian Power Company and Wheeling Power Company's Environmental Compliance Projects

Appalachian Power Company (APCo) and Wheeling Power Company (WPCo) filed an application with the Public Service Commission of West Virginia (Commission) for a certificate of convenience and necessity for environmental compliance projects at the John Amos Power Plant in Winfield, the Mountaineer Power Plant in New Haven and the Mitchell Power Plant in Moundsville (Case No. 20-1040-E-CN). The Companies also requested recovery of the project costs through rates and sought approval from the Commission by July 31, 2021.

The proposed modifications to the plants included projects to comply with the U.S. Environmental Protection Agency's (EPA) Coal Combustion Residuals (CCR) environmental regulations and Effluent Limit Guidelines (ELG) environmental rules. The CCR compliance project at the plants involves relining some existing ponds, closing some ponds and the construction of new lined ponds. The CCR rule required closure to be initiated by April 11, 2021, unless EPA grants an extension until October 2023. The ELG compliance project involves reconfiguring the ponds and treating coal ash liquids with bioreactors.

The Companies submitted two alternative proposals. Under Alternative 1, the Companies would complete the CCR and ELG projects at all plants, allowing them to operate beyond 2028. Under Alternative 2, the Companies would construct the CCR projects at all the plants, but construct the ELG projects only at Amos and Mountaineer, allowing only those two plants to operate beyond December 31, 2028.

The Commission's Consumer Advocate Division (CAD), West Virginia Energy Users Group (WVEUG), the Sierra Club, Citizen Action Group/Solar United Neighborhoods/Energy Efficient West Virginia (CAG/SUN/EEWV), the West Virginia Coal Association (WVCA) and the West Virginia Attorney General were granted intervenor status in the case.

The Companies filed parallel proceedings before the Virginia State Corporation Commission (VSCC) concerning the Amos and Mountaineer Plants and the Kentucky Public Service Commission (KPSC) concerning the Mitchell Plant. Mitchell is jointly owned by APCo and Kentucky Power Company (KPCo). The VSCC approved APCo's request to recover jurisdictional CCR costs from Virginia ratepayers, but denied rate recovery for ELG costs, stating APCo failed to meet its burden to show the prudency of the costs. The KPSC authorized KPCo to construct the CCR project at Mitchell and recover costs through rates, but denied the application to construct the ELG project at that plant, or recover those costs through rates.

The Commission entered a Final Order granting the Companies a certificate of convenience and necessity to make the necessary compliance modifications to all three plants under Alternative 1 to enable them to continue to generate electricity through 2040. The Commission also authorized the Companies to implement a surcharge to recover project costs through rates, effective September 1, 2021.

The Companies filed a petition to re-open the case, asking the Commission to direct whether they should proceed with the projects approved by the Commission, and for cost recovery.

The Commission entered a Final Order (i) directing the Companies to proceed with construction of the ELG project at all three plants and alert the EPA and West Virginia Department of Environmental Protection (WVDEP) that they will proceed with the environmental compliance work; (ii) granting the Companies rate recovery of ELG project costs at all three plants and the costs necessary to keep all three plants operating beyond December 31, 2028, to the extent recovery of those costs was not approved by the VSCC or the KPSC; and (iii) ordered that the capacity and energy made possible by the plants would inure to the benefit of the Companies' West Virginia and Federal Energy Regulatory Commission (FERC) jurisdictional customers, unless the VSCC required APCo's Virginia jurisdictional customers and KPSC required KPCo's jurisdictional customers to pay their share of the costs of ELG improvements at the plants and the operating costs necessary for the plants to operate beyond December 31, 2028.

CAD and CAG/SUN/EEWV each filed petitions for reconsideration. The Commission denied both petitions and affirmed the prior Commission Order granting a certificate of convenience and necessity for modifications at the coal-fired generating plants. This case is now closed.

On November 21, 2022, the VSCC entered a Final Order granting approval for rate recovery from APCo's Virginia ratepayers to pay the jurisdictional cost of capital investments, operations, and maintenance compliance expenses necessary for coal-fired generating plants to comply with state and federal environmental regulations, including the ELG investments at the Amos and Mountaineer plants.

Monongahela Power Company and The Potomac Edison Company Environmental Compliance Projects

Monongahela Power Company (Mon Power) and The Potomac Edison Company (PE) filed an application for a certificate of convenience and necessity to construct environmental compliance projects at the Fort Martin Power Station and Harrison Power Station coal-fired generating units (Case No. 21-0857-E-CN). The proposed modifications to the plants included projects to comply with the EPA's ELG environmental rules. The proposed project would modify the bottom ash removal systems at both plants and install a new flue gas desulfurization project at Fort Martin. The project is necessary to keep Fort Martin and Harrison in compliance with the law and operating through 2040. The projected capital cost for the project is $142 million, with a projected annual operation and maintenance (O&M) expense of $3 million. The Companies sought accelerated rate recovery of costs through establishment of a surcharge and proposed the Commission annually review the surcharge, beginning September 2024.

The Companies also applied for a certificate to construct CCR environmental compliance projects at the plants. The CCR projects at Fort Martin and Harrison fell well within the ordinary course of business for the Companies, amounting to less than $1 million. The Companies did not seek accelerated rate recovery of CCR project costs.

The Commission required the Companies to provide notice of the proposed surcharge rates and revenue requirement, estimated to be $6.5 million in 2024, when the surcharge begins; and to total $26.15 million by 2026, when the project is completed.

Parties to this case include Mon Power/PE, Commission Staff, CAD, WVEUG, WVCA, Longview Power, LLC and the Sierra Club.

The Parties filed a proposed Joint Stipulation and Agreement for Settlement in this case. Under the terms of the Joint Stipulation, the Parties requested the Commission approve the certificate application, establish a surcharge with a lower first-year revenue requirement than proposed, specify certain elements of surcharge cost recovery, require information be tracked and provided concerning project costs and surcharge cost recovery and require additional information be included in the Companies' Integrated Resources Plan.

The Commission entered a Final Order adopting the Joint Stipulation as a reasonable resolution of the case and approving the certificate under the parameters in the Joint Stipulation. This case is now closed.

Appalachian Power Company, Wheeling Power Company and the Mitchell Power Plant

APCo/WPCo requested approval for WPCo to enter into revised ownership and operating agreements with KPCo related to the Mitchell Power plant located in Moundsville (Case No. 21-0810-E-PC). APCo was not a Party to the Mitchell Agreement, but was a necessary Party to the case because WPCo and APCo share unified rates. Parties to the case included the Companies, Commission Staff, WVEUG, CAD, WVCA and CAG/SUN/EEWV.

The Commission required (in an Order in Case No. 20-1040-E-CN) that if changes in ownership or cost allocations are necessitated by decisions in other states, the Companies should bring such changes back to the Commission. The Companies sought approval to revise the current operating agreement and ownership agreements as a result of the KPSC denial of ELG investments at the Mitchell Plant. The Companies stated WPCo could not begin construction of the ELG investments at the Mitchell Plant until the permits for the plant were transferred from KPCo to WPCo.

The Commission found that the current operating agreement was sufficient to allow WPCo to construct and pay for the entirety of the ELG investments at the Mitchell Plant should KPCo decline or not be allowed to share the investments, capacity and energy from the Mitchell Plant in the future. The current operating agreement authorized WPCo to make investments necessary to keep the Mitchell Plant open and operating through 2040, and to dispatch 100% of the capacity of the plant. The Commission required modifications to the current operating agreement necessary to establish WPCo as the operator of the plant, given that the KPSC forbade ELG investments by KPCo necessary for the Mitchell Plant to run beyond 2028. The Commission required the Companies to begin ELG work on Mitchell in time to meet regulatory deadlines and ordered the Companies to cause any permits for Mitchell to be transferred to WPCo if necessary to begin ELG work on the plant. The Commission re-stated its concern the Companies allowed coal stockpiles to dwindle to dangerously low levels and reinforced that the Companies should maintain adequate stockpiles of coal.

The Commission required the Companies to file a revised operating agreement reflecting the Commission-ordered changes, and file a revised ownership agreement to change confusing language in the document.

The Companies subsequently filed a document informing the Commission and Parties of the agreement of the Mitchell Operating Committee that (i) authorized WPCo to act as the operator of the Mitchell Plant; (ii) authorized the transfer of the ELG and other necessary permits to WPCo to facilitate timely ELG investments; (iii) provided that WPCo will perform the ELG upgrades at the Mitchell Plant necessary to operate the plant beyond 2028 and WPCo's customers will be exclusively assigned the cost of the upgrades; (iv) implemented account procedures to ensure KPCo and WPCo will share investments and expenditures, including CCR investments, necessary to operate the plant through 2028; and (v) allocated capital expenditures in accordance with the Orders of the Commission and the KPSC to address expenditures that either have a depreciable life beyond 2028 or that would not be placed into service until after 2028. The filing did not address the Commission concerns regarding coal stockpiles. The Commission granted its consent to enter into the ownership and operating agreements with modifications. This case is now closed.

Horus West Virginia I, LLC

Horus West Virginia I, LLC, filed an application for a Solar Siting Certificate and a Petition for Waiver to authorize construction and operation of an 80 megawatt (MW) solar exempt wholesale electric generating (EWG) facility in Jefferson County (Case No. 21-0664-E-SCS-PW). The project consists of a solar generation plant with single-axis trackers, 535-watt (W) modules and 3.38-MW inverters. Horus stated that no transmission support structures are planned outside the footprint of the solar electric generating facility and no new transmission line will be built as part of the facility because the project will interconnect with the existing Feagans Mill-Millville 138-kilovolt (kV) transmission line.

The Commission found the economic contributions of Horus to the West Virginia economy to be an estimated 149 job-years during the one-year construction phase, estimated employee compensation to be $11.2 million, estimated total value added to be $15.4 million, and estimated total output to be $149.1 million.

The Commission entered an Order granting Horus a Solar Siting Certificate. This case is now closed.

Raleigh Solar I, LLC

Raleigh Solar I, LLC, filed an application to address slight changes to its project and the Solar Siting Certificate previously granted in Case No. 20-0431-E-SCS (Case No. 21-0796-E-SCS). Raleigh Solar requested the Commission (i) find that modifications to the acreage of land necessary for the project and resulting updated surveys did not constitute major modifications of the previously granted Solar Siting Certificate and (ii) that the Commission waive the need for Raleigh Solar to obtain approval of the modifications. Commission Staff recommended the Commission grant the requested waiver for modification because the net 4.5-acre increase associated with project roads and drainage was not a major modification of the project and would not cause the project to exceed the previously certificated 90-MW power output.

The Commission entered an Order finding the proposed increase to the net acreage was not a major modification to the project or Solar Siting Certificate. The Commission granted the waiver. This case is now closed.

Nicholas County Solar Project, LLC

Nicholas County Solar Project, LLC filed an application for a Solar Siting Certificate to construct a 250-MW solar generating facility and approximately 67-MW battery-energy-storage system in Nicholas County as an EWG (Case No. 22-0678-E-SCS-PW). The project would be constructed on a 3,472-acre site, most of which is a reclaimed surface mine. The estimated capital cost of the project exceeds $411 million. Nicholas Solar also requested the Commission waive the requirement to provide transmission support line information because all transmission facilities associated with the project would be located within the project footprint and directly interconnect with an existing FirstEnergy 138-kV transmission line that crosses the project site. After Staff raised concerns that the proposed transmission facility on the northern end of the project would involve approximately 3.8 miles of transmission lines, Nicholas Solar agreed to provide information concerning its 138-kV transmission line facilities. The Commission entered an Order requiring Nicholas Solar to provide information required by the Solar Siting Rules. The Commission received no requests to intervene, one letter of support from the Nicholas County Commission and two letters of protest.

The Commission found the project planned to make an investment exceeding $411 million, was expected to provide 450 new jobs during the construction period and would generate substantial increases to economic output, local earnings, and property taxes.

The Commission granted Nicholas Solar a Solar Siting Certificate. The case is now closed.

Rippon Energy Facility, LLC

Rippon Energy Facility, LLC, filed an application for a Solar Siting Certificate to construct a 99-MW solar generating facility in Jefferson County as an EWG (Case No. 22-0998-E-SCS-PW). The project will be constructed on approximately 1,000 acres of agricultural land. The proposed project investment is approximately $125.4 million. The application included a petition for waiver of the Solar Siting Rules requirement to provide transmission support line information because the project does not propose any new transmission lines or towers. Instead, the project will include a new substation and will connect to a switchyard owned by PE, which, in turn, will be connected to the PE Old Chapel - Millville 138-kV transmission line.

Commission Staff recommended the underground 34.5-kV lines proposed to connect the solar panels to the switchyard not be classed as transmission lines due to their voltage level and positioning, and recommended the Commission grant the request for waiver of transmission support line information. The Commission verified the completeness of the application, ordered public notice and granted a request to waive the requirements to provide information related to the facility's transmission line. This case is pending before the Commission.

Monongahela Power Company and The Potomac Edison Company Solar Project

Mon Power/PE filed for approval of a solar-generation project and accelerated cost recovery of project costs through a Renewable Electricity Surcharge (RES) (Case No. 21-0813-E-US). The companies proposed a 50-MW solar project, consisting of five separate locations in their West Virginia service territories. Originally, those locations were Wylie Ridge Substation in Brooke County, Fort Martin Power Station in Monongalia County, Davis along Route 93 in Tucker County, the R. Paul Smith Ash Site in Berkeley County and the Solvay/Cytec property in Pleasants County. The companies sought approval to enter into agreements with affiliates for several of the project properties. The Companies originally estimated a capital cost for the project of approximately $99.6 million and an annual operation and maintenance costs between $1 million and $1.5 million. The timetable for construction of the five sites is staggered through 2025. The companies subsequently amended their application to substitute the Rivesville Power Station Ash Site for the Solvay/Cytec site, resulting in a change in the proposed project cost from $99.6 to $102.2 million.

The Companies intend to bid the capacity and energy produced by the project into the PJM market. The Companies also propose to sell the energy produced by the project to customers at a cost of $40/megawatt hour (MWh) through a Voluntary Renewable Electricity Rider (VRER). If the costs of the project generation are not fully recovered from customers seeking to use the project energy (subscribers), the Companies propose that all Mon Power/PE ratepayers would pay the cost of the energy by paying any revenue deficiency through the RES. The Companies also propose to offer Solar Renewable Energy Credits (SREC) produced by the project. The Companies entered into memoranda of understanding with industrial and commercial customers interested in purchasing project output, but did not have binding agreements with customers to purchase energy under the VRER.

The Parties to the case included Mon Power/PE, Staff, CAD, WVEUG, Longview Power, LLC and the West Virginia State Building and Construction Trades Council.

The Commission approved the proposed solar project subject to conditions, approving the VRER, granting the Companies authority to enter into affiliate agreements for the properties and authorizing the return on equity to be used in calculating the surcharge. The Commission required the Companies to pursue binding commitments of one to five years on the basis that long-term contracts could ensure some stability in project financing and assist the Companies in paying for the project by collecting payments from customers who desire solar generation. The Commission also required the Companies obtain commitments for 85% of the solar energy to be produced at any given location before building that portion of the project. The Commission authorized the VRER to be effective January 1, 2024, to facilitate subscriptions to the VRER, but did not authorize the Companies to charge the RES to collect cost deficiencies from all ratepayers. This case is now closed.

Appalachian Power Company and Wheeling Power Company Application for Purchase of a Renewable Electric Generating Facility

APCo/WPCo filed a petition for approval of a PSA for the Bedington solar generation project in Berkeley County. The project has a nameplate capacity of 50-MW (Case No. 22-0045-E-US). The Companies proposed to own and operate all the interests and assets of the Bedington project. The Companies also requested the Commission approve both a Renewable Power Plus (RPP) tariff for sale of the Bedington project output and accelerated rate recovery of the Bedington project costs that are not recovered by the RPP tariff through a West Virginia Solar (WVS) Rider.

The Companies represented that all the energy produced by the Bedington project will be supplied to a major industrial customer, Nucor. Nucor has entered into a Memorandum of Understanding and agreed on pricing for the renewable energy.

The Parties to the case include APCo/WPCo, Staff, CAD, WVEUG and WVCA.

The Commission entered a Final Order granting approval of the PSA, the RPP tariff and the WVS rider. The Commission found the Bedington project is prudent and the associated rates are reasonable because non-subscribing customers will not be required to provide a rate subsidy to subscribing customers. The case is now closed.

Cost Recovery Cases

Appalachian Power Company and Wheeling Power Company Modified Rate Base Cost Tracker Surcharge

In 2020, APCo/WPCo filed a petition seeking Commission approval to implement an experimental modified rate base cost (MRBC) tracker to provide expedited rate recovery and collect an annual increase in revenue of $49.8 million or 3.4% (Case No. 20-1012-E-P). The experimental MRBC tracker provides expedited surcharge rate recovery outside a base rate case for expenditures over the amount to be classified as a capital investment since the Companies' most recent base rate case. The proposed rates would result in an increase for the average residential customer of $5.26 per month, or 3.71%. The Companies sought to recover $332.3 million in rate base added between December 31, 2017, and September 30, 2020. The Companies also sought to use the tracker to recover the cost of any expenditure over the dollar amount to be recorded as a capital investment.

CAD, WVEUG, the Kanawha County Commission and Steel of West Virginia (SWVA) were granted intervenor status.

In 2022, APCo/WPCo filed a petition seeking to increase the MRBC surcharge rates by $12.3 million to recover an annual MRBC revenue requirement, over the previously ordered MRBC surcharge rates of $44.16 million, for the period September 1, 2022 through August 31, 2023. (Case No. 22-0304-E-P). The Commission had authorized the Companies to seek three annual updates to the MRBC revenue requirement, limiting each update filing to 3% of the first year's total billed revenue for the 12 months ending September 30, 2020. As a condition of the MRBC surcharge, the Companies agreed not to file a base rate case until at least June 30, 2024.

Parties to the case included APCo/WPCo, Commission Staff, CAD and WVEUG. The Parties filed a proposed Joint Stipulation and Agreement for Settlement, asking the Commission to adopt the proposed MRBC surcharge rates, subject to true-up and review in a future proceeding. The Joint Stipulation also required the Companies to provide capital structure information in future proceedings.

The Commission adopted the Joint Stipulation and authorized the proposed MRBC surcharge increase of $12.3 million, subject to true-up and review in future proceedings. These cases are now closed.

Appalachian Power Company and Wheeling Power Company ENEC Cases

APCo/WPCo filed a petition to initiate the annual review and update of their Expanded Net Energy Cost (ENEC) rates (Case No. 21-0339-E-ENEC). The ENEC rate review is a narrow, special-purpose rate proceeding for electric utilities that allows recovery of certain prudently incurred costs for fuel, purchased power, purchased transmission costs and construction costs for specific projects. The Companies proposed to increase the ENEC rates to recover an additional $73 million in annual revenues, including $2 million for deferred COVID-19 related expenses, an adjusted ENEC under-recovery of $55.3 million, the residential phase-in under-recovery of $556,567 and a separate projected under-recovery of $17.7 million for the period ending August 2022. The filing stated that, under the proposed rates, the average residential customer would experience an increase of $9.09 per month, or 5.6%. Commercial customers would see an average increase of $12.24 per month, or 3.4%. Industrial customers would see an average increase of approximately $10,000 per month, or 5%. The Companies also proposed a change in cost allocation and rate design for large industrial class and special contract customers. The Companies proposed an effective date of September 1, 2021, for the new rates.

CAD, WVEUG, and SWVA were granted intervenor status.

The Commission approved the proposed rates with adjustments, allowed for the recovery of deferred COVID-19 expenses, disallowed the proposed changes for industrial rate modification and required the Companies to make changes intended to reduce the cost of fuel in the future. The Commission concluded that the Companies should obtain more power from their West Virginia coal-fired generating plants and approved a capacity factor of 69%, which is higher than the Companies proposed. The Commission approved an ENEC rate increase of approximately $6 million to reflect the Companies obtaining more power from West Virginia plants, subject to true-up in the Companies' next ENEC proceeding.

The Companies filed a petition requesting reconsideration of the adjusted ENEC rates due to the Commission's conclusion the Companies should obtain more power from West Virginia coal-fired generating plants. The Companies requested clarification as to how the Companies are to force the operation of their coal-fired generating units when the plants are not in the economic dispatch stack determined by the PJM market. Commission Staff and WVEUG filed responses objecting to the Companies' petition.

On March 2, 2022, the Commission entered an Order denying the petition for reconsideration or clarification but re-opened the 2021 ENEC proceeding to examine increases in the ENEC under-recovery balance. The Commission noted concern that the levels of power purchased from the PJM market increased above projections originally made by the Companies, and were even more above the targets set by the Commission concurrently with declining use of the Companies' West Virginia generating plants. The Commission also ordered the 2021 ENEC case should be reopened to require the Companies to explain the significant increase in the ENEC under-recovery.

On May 13, 2022, the Commission entered an Order providing additional ENEC cost recovery of $93 million and directing Staff to conduct a prudence review of the Companies' fuel inventory and policies. The purpose of the additional rate recovery was to prevent future rate shock for ratepayers should the Commission determine the Companies' costs to be prudent. The Commission made it clear that it was not finished reviewing the Companies' ENEC costs. The Commission directed Staff to review the Companies' practices, including fuel purchasing practices, power plant utilization, bidding strategy to sell generation into the PJM energy market, extent to which generation from the Companies' plants failed to clear the PJM energy market during hours of PJM energy prices in excess of the incremental variable costs of self-generation and reliance on PJM energy relative to self-supply options. This case is now closed.

APCo/WPCo filed its 2022 ENEC rate request, proposing the ENEC portion of its rates be increased by approximately $297 million effective September 1, 2022, and stated its under-recovery balance was $212.7 million as of February 28, 2022 (Case No. 22-0393-E-ENEC). The Companies also proposed expediting rate recovery of ENEC under-recovery balances, either through more frequent ENEC rate proceedings, at six-month intervals, or to include the stub period following the end of the historic period in ENEC rate review. The Companies again requested clarification from the Commission as to how the Commission wants to balance increasing the capacity factors of the West Virginia coal-fired power plants against relying on economic dispatch to obtain economically-priced power for their customers.

Parties to the case included Commission Staff, CAD, WVEUG, WVCA, and the Companies. The Staff initial review raised concerns that the filing lacked information necessary for other Parties to confirm there was an ENEC under-recovery of $212.7 million as of the end of February 2022. The Commission entered an Order requiring the Companies to provide additional information showing the basis of the significant under-recovery.

This case is pending before the Commission.

Appalachian Power Company and Wheeling Power Company Cost Recovery for Three Purchase and Sale Agreements and Three Purchased Power Agreements for Renewable Energy

APCo/WPCo filed a petition seeking accelerated rate recovery outside a base rate case for the cost of three purchase and sale agreements (PSA) for renewable generating facilities and cost recovery in the 2025 ENEC proceeding of three purchased power agreements (PPA) for renewable energy (Case No. 22-0044-E-PC).

The three facilities the Companies seek to purchase are: Amherst Solar Facility, a 4.875 MW solar facility in Amherst County, Virginia, expected to be in service in December 2022; Firefly Solar Facility, a 150 MW solar facility to be located in Pittsylvania County, Virginia, estimated to be in service in July 2024; and Top Hat Wind Facility, a 204 MW wind project in Logan County, Illinois, estimated to be in service in December 2024.

The Companies propose to recover the jurisdictional share of the costs associated with these facilities through a construction surcharge until the Companies implement new base rates. The Companies did not file usual proposed surcharge rates, but stated they will file proposed rates 30 days before each of the two facilities is expect to begin operation.

The Companies also sought Commission pre-approval that the costs of the PPAs would be guaranteed cost recovery in future ENEC proceedings without being subject to review in those proceedings. The PPAs provided for the Companies to purchase from three solar facilities, as follows: Dogwood, an 18.9 MW solar facility located in Bedford County, Virginia; Horsepen, a 20 MW solar facility in Louisa County, Virginia; and Sun Ridge Solar, a 50 MW solar facility located in Rockingham County, Virginia. The Companies propose the revenue requirements of the three PPAs will be placed into rates in the 2025 ENEC proceeding, when the facilities are anticipated to begin operation. The Companies later requested to withdraw the Firefly, Dogwood and Sun Ridge projects from consideration.

The Parties to the case include APCo/WPCo, Staff, CAD, WVEUG, and WVCA.

The Commission held an evidentiary hearing in this matter. This case is pending before the Commission.

Appalachian Power Company and Wheeling Power Company Vegetation Management Program

APCo/WPCo filed a petition with the Commission for review of its Vegetation Management Program (VMP) and to update its VMP surcharge (Case No. 22-0421-E-P). The Companies proposed reducing the existing VMP surcharge rates by approximately $16.3 million. In the 2021 VMP case, the Commission considered Staff and CAD concerns that the VMP was failing to significantly improve reliability to customers despite major expense. In the 2021 VMP Order, the Commission agreed a focused management audit should be conducted of the Companies' VMP practices.

In response to the 2022 VMP filing, Staff recommended the proposed VMP surcharge rate reduction be approved, subject to true-up, and the Commission ordered the Companies to institute a focused management audit of the VMP. Parties to the case included the Companies, Commission Staff, CAD and WVEUG. The Companies did not object to the Staff recommendation. WVEUG supported the Staff recommendation.

The Commission entered a Final Order requiring the Companies to hire a third-party expert to conduct a management audit and evaluate the cost and benefits of the VMP. The Commission stated the audit should consider whether the Companies should perform inspections of equipment at or shortly after completing vegetation management of a circuit. The Commission required the Companies to complete clearing vegetation on one circuit before moving on to the next circuit, rather than a piecemeal approach. The Commission also required the Companies complete the VMP of the transmission system on a four-year cycle and VMP of the distribution system on at least a five-year cycle, but ideally a four-year cycle. The Companies were ordered to file the VMP audit report within nine months.

Commission Staff filed a petition for clarification concerning the management audit process. Staff recommended the Commission require the Companies to file a Request for Proposal seeking bids from third-party experts and provide a list of candidates for review by the Commission and Staff. This case is now closed but, Staff's request for clarification remains pending before the Commission.

Appalachian Power Company and Wheeling Power Company Middle-Mile Broadband Surcharge

APCo/WPCo filed an application to build a middle-mile broadband infrastructure expansion project for construction and installation of over 400 miles of fiber in Logan and Mingo counties (Case No. 21-0032-E-IMM). The West Virginia Legislature passed legislation in 2020 to incentivize electric utilities to utilize their infrastructure to expand internet service in unserved areas of the state by using middle-mile broadband infrastructure and to allow for expedited cost recovery of middle-mile project costs outside a base rate case. The Companies estimated there are approximately 15,200 unserved potential customers (residential and business) in Logan and Mingo counties and that 60% of the unserved residents and 90% of unserved businesses in the project area would take the new broadband service.

The projected capital cost for the project was approximately $61.3 million, with an annual operations and maintenance cost of approximately $1.2 million in the first year and $1.74 million per year in future years. Parties to the case included the Companies, Commission Staff, CAD and WVEUG.

The Commission granted approval for the Companies to construct the proposed middle-mile, broadband project and authorized the proposed Broadband Surcharge to be applied to customers' bills. The estimated cost to APCo/WPCo's residential customers is projected to be less than 20-cents per customer per month systemwide.

WVEUG filed a petition to re-open the case, asking the Commission to change the timing and amount of the Broadband Surcharge cost recovery. The Commission denied the WVEUG petition to re-open on the grounds the Companies are required to provide necessary cost of capital information in the 2022 IMM true-up filing.

APCo/WPCo filed an application for a true-up and review of the Broadband Surcharge (Case No. 22-0836-E-IMM). The Companies proposed to increase the Broadband Surcharge rates currently in effect by $3.6 million for March 1, 2023, through February 29, 2024. The proposed Broadband Surcharge rate increase would result in an increase of $0.48 on the monthly bill for average residential customer usage.

This case is pending before the Commission.

Appalachian Power Company and Wheeling Power Company Voluntary Curtailment Service

APCo/WPCo filed an application to add a Voluntary Curtailment Service (VCS) tariff (Case No. 21-0871-E-T). The VCS tariff was designed to be implemented at times of high energy prices. It would be available to industrial customers taking service either under a special contract or through Large Capacity Power (LCP) or Industrial Power (IP) rate schedules that also purchase curtailable usage of not less than 1,000 kW at the metering point for a single account.

Parties to the case included the Companies, Commission Staff, CAD, WVEUG and SWVA. The Parties submitted a Joint Stipulation and Agreement for Settlement, modifying the terms of the originally proposed VCS, establishing the contents of a report on the VCS to be filed at the end of the experimental one-year VCS term and establishing the contents of quarterly reports. The stipulated VCS tariff provides participating industrial customers with the opportunity to reduce the electric utility costs by curtailing usage during a voluntary curtailment event requested by the Companies. The industrial customer has the option, but not the obligation, to curtail its usage and be compensated by the Companies in the form of a voluntary curtailment credit.

The Commission adopted the Joint Stipulation, noting that the VCS is for an experimental one-year term and the Companies are required to file quarterly reports. This case is now closed.

Appalachian Power and Wheeling Power Companies EE/DR Programs

APCo/WPCo requested an extension of time to file their next Energy Efficiency/Demand Response (EE/DR) petition and in the interim, permission to redirect funds between their low-income weatherization programs (Case No. 22-1051-E-P). The Companies' next EE/DR proceeding is due to be filed on April 1, 2023.

The Companies stated in their petition that the Inflation Reduction Act of 2022 (IRA) may provide EE/DR and/or beneficial electrification (BE) program funding that may affect the Companies' programs. Guidance for IRA funding opportunities is not expected until the second quarter of 2023. To better align future EE/DR programs with potential IRA funding, the Companies requested a one-year extension to file their next EE/DR petition and a six-month extension of the current BE pilot program. Any over- or under-recoveries would be trued-up in the next EE/DR filing in 2024.

The Companies also requested flexibility in directing funds between the two low-income programs in their current EE/DR portfolio: the Low-Income Weatherization Program for single family homes and the Low-Income Multifamily Program.

CAD has filed a petition to intervene. This case is pending before the Commission.

Monongahela Power Company and Potomac Edison Company ENEC Cases

In 2021, Mon Power/PE filed a petition for review and update of their ENEC rates (Case No. 21-0658-E-ENEC). The Companies' original 2021 ENEC filing proposed a $19.57 million increase in ENEC rates to be effective for service rendered on and after January 1, 2022. The proposed ENEC rates were based, in part, on a cumulative over-recovery on ENEC costs of $28 million as of June 30, 2021, and a projected period ENEC under-recovery of $35.4 million for the upcoming ENEC period. The Companies' proposed ENEC rates also include $12.15 million for boiler modification capital costs for Mercury and Air Toxic Standards (MATS) and the Companies' Cross-State Air Pollution Rule II CSAPR compliance for 2022.

Parties to the case included the Companies; Commission Staff; CAD; WVEUG; CAG/SUN/EEWV; Longview Power, LLC; WVCA; and the Grant Town Power Plant and its project owner, American Bituminous Power Partners, LP (Grant Town).

The Commission approved the proposed ENEC rates and specified that Excess Accumulated Deferred Income Tax offsets remaining from a prior case must be applied to reduce the rates applicable to two rate schedules of industrial customers. The Commission also ordered the Companies and Longview to engage in negotiations concerning a purchased power agreement, if certain conditions could be met. Finally, the Commission ordered the Companies to file monthly closed case reports showing the level of ENEC recovery balances, generation at the Companies' plants, sales, purchases and other information to show any concerns with the ENEC.

WVEUG filed a Petition for Reconsideration, and Longview filed a petition to re-open. The Commission issued an Order denying the WVEUG petition, but establishing a task force to discuss market-based rates and re-opening the 2021 ENEC case based on concerns about information contained in the monthly closed-case reports. The Commission noted the monthly ENEC report filed February 26, 2022, showed an ENEC under-recovery of $87.5 million as of January 2022.

The Companies filed additional information, estimating they required an additional $94 million ENEC rate increase, above the increase granted three months earlier, for the period between May 1, 2022, and December 31, 2022, to prevent additional under-recoveries.

The Commission approved a $94 million increase in ENEC rates because of unusually high energy costs. The Commission noted these costs are subject to review and disallowance if they are determined to be unreasonable. The Commission noted that the period of time for negotiations between Longview and the Companies had not elapsed, making further requirements premature. This case is now closed.

Mon Power/PE filed a petition for review and update of their 2022 ENEC rates (Case No. 22-0793-E-ENEC). The Companies requested an increase in ENEC rates of approximately $183.8 million dollars, effective January 1, 2023, an increase of 9.5%, or $11.05 per month for the average residential customer. The Companies stated the proposed increase is based on the ENEC under-recovery balance of $144.9 million as of June 30, 2022, a projected under-recovery of $27.3 million for the 2023 ENEC period and capital cost for the MATS/CSAPR compliance project of $11.6 million for 2023. The Companies explained the magnitude of the increase "is due mainly to increasing commodity costs, including coal, reagents and purchased power."

Parties to the case include the Companies, Commission Staff, CAD, WVEUG, Longview, WVCA, and CAG/SUN/EEWV.

The Parties filed a Joint Stipulation and Agreement for Settlement to resolve all but one issue. The CAD rebuttal testimony suggested the Companies perform an evaluation of acquiring the coal-fired Pleasants generating plant. The Parties submitted the Pleasants issue to the Commission for a decision. The Commission held a hearing on December 8, 2022, to accept statement of counsel in support of the Stipulation, testimony in support of the stipulation and Commission-requested testimony addressing the Companies' coal-procurement practices and ENEC costs. The Commission adopted a modified Joint Stipulation and Agreement for Settlement, approving an increase of $91.8 million in the ENEC surcharge. This case is now closed.

Black Diamond Power Company Consolidated Purchased Power Surcharge

Black Diamond Power Company filed an application with the Commission for an increase in its consolidated purchased power surcharge (Case No. 22-0740-E-P). The Company and Staff filed a Joint Stipulation, agreeing to an increase in the consolidated purchased power surcharge revenues in the amount of $385,744. The stipulation stated that a previously required refund of $254,085 would be refunded in the amount of $127,043 annually over the next two years. The Parties to the case included the Company, Commission Staff and CAD, although CAD intervened after the Joint Stipulation was filed.

The Commission issued a Final Order, directing the previously required refund of $254,085 to be provided to ratepayers over the course of one year, beginning December 1, 2022. The Commission placed the Company on notice that it will consider the additional recovery of $829,226 owed to ratepayers in the Company's next base rate proceeding or next annual purchased power surcharge filing.

Black Diamond filed a petition for reconsideration, requesting the Commission adopt the Joint Stipulation and allow the Company to refund the remaining $254,085 net over-recovery over the next two years ($127,043 annually). The Commission denied the petition for reconsideration. This case is now closed.

Miscellaneous Electric Cases

Task Force to Study Possible Market-Based Rates for Commercial and/or Industrial Electric Customers

The Commission established as task force to discuss recommendations for market-based electric rates for commercial and industrial customers as part of the Commission Order in the 2021 Mon Power/PE ENEC case (Case No. 22-0282-E-GI). The Parties to the Task Force include Commission Staff, CAD, WVEUG, Interstate Gas Supply, Longview, WVCAG/SUN/EEWV, APCo/WPCo and Mon Power/PE.

The task force reported to the Commission it has met regularly throughout 2022, that the meetings have been productive and members continue to share information and ideas.

The group requested Commission approval to extend the Task Force Final Report and Response due dates until March 9, 2023, and March 23, 2023, respectively. This case is pending before the Commission.

Task Force to Assure Dependable and Affordable Electric Supply Recommendations

The West Virginia Coal Association requested the Commission establish a Task Force to assure dependable and affordable electric supplies (Case No. 22-0352-E-GI). WVCA's general membership accounts for 11% of the coal used in the United States for general electricity; 97% of all domestic steam coal production in this state; and 99% of the coal that is consumed by the regulated, coal-fired, electric generating fleet in this state.

The Commission established the Task Force. Members include Commission Staff, CAD, WVEUG, WVCA, WVCAG/SUN/EEWV, Longview, Sierra Club, West Virginians for Energy Freedom, WVU Center for Energy and Sustainable Development, APCo/WPCo, and Mon Power/PE. This case is pending before the Commission.

Natural Gas

Base Rate and Miscellaneous Gas Cases

Hope Gas, Inc. dba Dominion Energy West Virginia Base Rate and Depreciation Cases

Hope Gas filed an application to increase its base rates by $34.6 million annually, or approximately 31% (Case No. 20-0746-G-42T). The proposed increase would include offsetting a reduction in the Company's Infrastructure Replacement and Expansion Plan (IREP) surcharge rates that would occur when new base rates go into effect and with the additional revenue from the producers under the Company's new Production and Gathering Aggregation Service Rate Schedule. The Company also filed an application to adjust its depreciation rates (Case No. 20-0745-G-D). Intervenors in these cases included CAD; the Gas and Oil Association of West Virginia (GO-WV), formerly the Independent Oil & Gas Association of West Virginia, Inc. (IOGA) and the West Virginia Oil and Natural Gas Association (WVONGA); Morgantown Energy Associates (MEA); and WVEUG.

The Commission approved a base rate revenue requirement of $129 million; a rate base of $208.5 million, a return on equity of 9.54%; a rate of return of 5.90%; a total revenue increase of $12.8 million for base rates and $4.8 million for the 2020 IREP rates; for a total of $17.65 million. Hope Gas filed a petition for reconsideration of the capital structure and rate of return. The Commission modified its original Final Order and approved a new capital structure and cost of capital. This case is now closed.

Morgantown Energy Associates, Inc. v. Hope Gas, Inc. dba Dominion Energy West Virginia

MEA filed a complaint with the Commission against Hope Gas alleging it breached a gas supply contract and violated its tariff by reducing its maximum daily volume (MDV) of standby gas from 6,000 dekatherms (dth) to 2,000 dth per day (Case No. 21-0065-G-C). Hope defended its action by stating it had insufficient gas volume and capacity to continue providing 6,000 dth per day, and was concerned that the increased demand would adversely affect its ability to meet its daily demand requirements.

The Commission disagreed with MEA's assertion that Hope violated its tariff by reducing MEA's MDV level, denied MEA's request to reinstate a firm MDV service level of 6,000 dth per day and dismissed the complaint. This case is now closed.

Field and Farm Tap Abandonment Cases

Peoples Gas West Virginia, LLC, Equitrans, L.P. and Essential Utilities, Continuation of Natural Gas Service to Field Tap Customers

Petition for a General Investigation into the Abandonment of Equitrans L.P. Gathering Facilities and Gas Service to Field Tap Customers

Hope Gas, Inc., dba Dominion Energy Petition to Abandon 834 Customers

Peoples Gas West Virginia, LLC (PGWV) filed a petition based on the Commission's Final Order in Peoples Gas West Virginia, LLC and Aqua America, Inc. Case No. 18-1475-G-PC requesting the Commission consider the continuation of natural gas service to PGWV's field tap customers from Equitrans L.P.'s low-pressure gathering system (Case No. 20-0329-G-P). PGWV included a report prepared by Black & Veatch Management Consulting, LLC, (B&V) that assessed the short- and long-term feasibility of the gathering system providing reliable service to PGWV's customers.

Equitrans asserted the Commission lacked jurisdiction over Equitrans and the gathering system and that the B&V report supported PGWV immediately acquiring the gathering system. Equitrans further stated it had filed a petition with FERC to abandon its entire West Virginia gathering system, not only the portions providing gas access to PGWV.

The Commission concluded that PGWV; Aqua America, Inc., now known as Essential Utilities, Inc.; and Equitrans could not discontinue natural gas service to any field tap or distribution system customer served by the gathering system without first obtaining Commission authorization. The Commission joined Essential Utilities and Equitrans to the proceeding. CAD and the Independent Oil and Gas Association (IOGA, now GO-WV) were granted intervenor status.

Staff filed a petition to the Commission to institute a General Investigation (GI) into Equitrans' abandonment of the gathering system and the continued gas utility service to affected field tap customers (Case No. 20-0454-G-GI). Staff stated Hope Gas, Inc. dba Dominion Energy West Virginia, Mountaineer Gas Company and PGWV serve approximately 6,000 gas utility customers, directly or indirectly, from the gathering system. Staff said the three local distribution companies (LDC) will continue to rely on the gathering system to serve customers until Equitrans abandons its customers, or until the LDCs receive Commission approval to abandon their customers. Staff requested the Commission initiate a GI; join Equitrans, the LDCs and IOGA as Parties; and require the Parties provide specific information to aid the Commission in its assessment of the gas supply issue.

Hope requested Commission authority to abandon service to 834 customers due to Equitrans' plan to abandon its gathering system that served those customers (Case No. 20-0660-G-X). In its filing, Hope noted that Mountaineer and PGWV are also affected by Equitrans' plan to abandon its gathering system. Hope stated it was interested in the potential acquisition of portions of the gathering system, but stated it needed more time to conduct due diligence. Hope and the other LDCs are cooperating to determine if other distribution lines are available to serve the affected customers. If the plan is approved, Hope stated it could take a year or more to convert affected customers to alternate fuel.

The Commission consolidated Case Nos. 20-0329-G-P, 20-0454-G-GI and 20-0660-G-X and approved Staff's request to open a GI into Equitrans' abandonment. The Commission required all Parties to update information regarding the number of customers affected.

Equitrans notified FERC it had entered into a Purchase and Sale Agreement (PSA) with Big Dog Midstream, LLC, whereby Big Dog would purchase and acquire the remaining gathering facilities that are the subject of the Commission's GI. The PSA does not include a provision that Big Dog is bound by a prior commitment made by Equitable Resources that Equitable and all successors of Equitable are to continue gas utility service to field tap customers and not discontinue natural gas service to any field tap or distribution system customer served by the gathering system without first obtaining authorization of the Commission.

At a December 8, 2021 status conference the Commissioners heard updates from and questioned the Parties. Chairman Lane stated the Commission's overriding concern was the continuation of service to affected customers. She directed the Parties to file within 90 days a stipulation that settles all issues and details of what will happen to the gathering lines and customers served by those lines.

Parties include the Commission Staff, CAD, Equitrans, Peoples Gas, Hope Gas, Mountaineer Gas, GO-WV, Big Dog Midstream, Diversified Production and Essential Utilities.

These cases are pending before the Commission.

Equitrans L.P.'s Application to FERC to Abandon Gathering Facilities and Services

Equitrans filed an abbreviated application with FERC for approval to abandon non-certified gathering facilities and services using a two-step process (FERC Docket No. CP20-213). As part of the process, Equitrans stated it would abandon the gathering facilities by sale and, if that was not successful, Equitrans would simply abandon the gathering facilities. The application was made pursuant to Sections 1(b), 4, and 7(b) of the Natural Gas Act (NGA), 15 U.S.C.§ 717 et seq., and Part 157 , Subpart A of the regulations of FERC, 18 C.F.R. Part 157, Subpart A (2020). FERC, in an Order dated June 17, 2022, held that the NGA sections 4 and 7(b) are inapplicable, and its request for abandonment is governed by NGA Section 1(b). NGA section 1(b) provides FERC with no authority to impose conditions on the abandonment or deny the abandonment. FERC, while acknowledging the jurisdiction of this Commission regarding the abandonment, approved the abandonment request. The FERC case is now closed.

Infrastructure Replacement and Expansion Plan Cases

In 2015, the West Virginia Legislature passed SB 390 authorizing the Commission to approve Infrastructure Replacement and Expansion Plans (IREP), an expedited cost recovery for natural gas utility infrastructure projects through a surcharge, outside a base rate case.

Mountaineer Gas Company

Mountaineer Gas Company's annual IREP application proposed investing $354 million for infrastructure replacement, system upgrades and expansion projects between 2023 and 2027, including $64.2 million in 2023 (Case No. 22-0709-G-390P). The company plans to make these investments to enhance the safety and reliability of its distribution system. The Commission granted intervenor status to GO-WV and CAD.

Parties filed a Joint Stipulation recommending a $21.67 million IREP revenue requirement, subject to true-up. The Commission accepted the Joint Stipulation. This case is now closed.

Hope Gas, Inc., dba Dominion Energy West Virginia

Hope Gas, Inc., dba Dominion Energy West Virginia submitted its annual IREP application, proposing an investment of $63 million for infrastructure replacement, system upgrades and expansion projects in 2023 (Case No. 22-0495-G-390P). The company plans to make these investments to enhance the safety and reliability of its distribution system. The Commission granted intervenor status to CAD.

The Parties filed a Joint Stipulation recommending a $13.76 million (inclusive of B&O Taxes) IREP revenue requirement for distribution customers and $229,544 for Rate Schedule PGAS customers, subject to true-up. The Commission approved the Joint Stipulation. This case is now closed.

Cardinal Natural Gas Company Southern Division

Cardinal Natural Gas Company Southern Division's annual IREP application proposed an investment of approximately $2.3 million for infrastructure replacement and system upgrades (Case No. 22-0509-G-390P). The Commission granted CAD intervenor status.

The Parties filed a Joint Stipulation recommending a $1.278 million IREP revenue requirement. The Commission approved the Joint Stipulation. This case is now closed.

Union Oil & Gas, Inc.

Union Oil & Gas, Inc. submitted its annual IREP application (Case No. 22-0418-G-390P). The company proposed no new construction projects. It only sought a true-up of construction costs from prior years. The Parties filed a Joint Stipulation, which the Commission approved and adopted. This case is now closed.

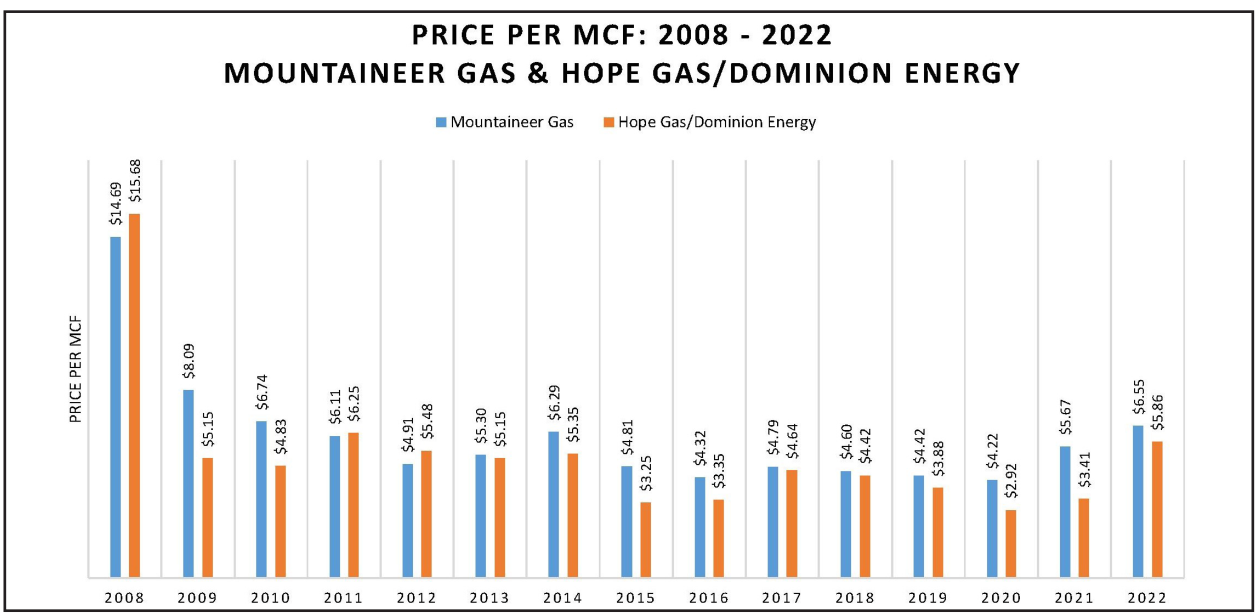
Cardinal Natural Gas Company Northern Division

Cardinal Natural Gas Company Northern Division submitted its annual IREP application (Case No. 22-0343-G-390P). The company proposed no new construction projects. It only sought a true-up of construction costs from prior years. The Commission approved the proposed rates. This case is now closed.

Purchased Gas Cost Rate Cases

Natural gas utilities are required to file purchased gas cost rate, or 30C cases annually to reflect changes in the purchased gas component of their rates. Due to recent increases in natural gas prices, the cost of purchased gas is, on average, around 60% of a typical residential natural gas utility charges. The prices that natural gas utilities pay their suppliers for gas are not regulated by the Commission nor the federal government, but are determined by the market. During recent years, the market-driven price has been volatile, largely due to the availability of Marcellus and Utica gas and other external factors. The Commission has ordered the following interim gas rates for the winter of 2022-2023.

Company	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Mountaineer Gas Co.	$14.69	$8.09	$6.74	$6.11	$4.91	$5.30	$6.29	$4.81	$4.32	$4.79	$4.60	$4.42	$4.22	$5.67	$6.55
Hope Gas/Dominion Energy	$15.68	$5.15	$4.83	$6.25	$5.48	$5.15	$5.35	$3.25	$3.35	$4.64	$4.42	$3.88	$2.92	$3.41	$5.86
Equitable Gas/Peoples Gas WV	$14.05	$5.93	$5.28	$4.90	$3.24	$5.09	$5.67	$3.20	$3.06	$3.32	$3.11	$3.48	$3.45	$4.20	$5.73
Consumers Gas Utility Co.	$12.63	$6.07	$5.97	$5.18	$4.00	$5.44	$5.64	$2.05	$2.50	$4.69	$2.94	$4.62	$3.50	$4.85	$7.27
Union Oil & Gas	$12.60	$6.80	$5.83	$5.43	$4.24	$4.42	$6.73	$4.66	$4.04	$4.71	$4.94	$4.45	$4.05	$6.35	$8.26
Southern Public Service Co.	$11.30	$6.98	$6.59	$5.61	$3.89	$5.50	$6.63	$4.13	$2.94	$3.95	$4.19	$5.19	$4.02	$6.37	$7.83
Cardinal Natural Gas Co. Northern Division (Lumberport-Shinnston)	$8.31	$5.99	$5.39	$5.74	$5.63	$5.11	$5.86	$4.07	$3.66	$5.48	$5.16	$4.12	$3.73	$5.37	$8.58
Cardinal Natural Gas Co. Southern Division (Bluefield)	$13.53	$6.79	$6.56	$6.13	$4.99	$6.01	$6.51	$4.31	$3.91	$4.56	$4.76	$4.91	$4.28	$6.65	$6.50
Canaan Valley Gas Co.	$8.61	$6.14	$5.08	$4.45	$3.50	$4.79	$4.46	$2.77	$2.64	$2.95	$3.19	$3.82	$4.43	$4.94	$6.75
Standard Gas Go.	$5.92	$7.60	$6.94	$6.68	$6.28	$6.26	$5.92	$4.09	$4.00	$3.99	$6.00	$4.64	$3.02	$2.53	$3.33
Cardinal Natural Gas Co. Northern Division (Blacksville)	$10.07	$6.36	$6.01	$5.29	$3.98	$4.59	$6.18	$5.04	$3.57	$4.68	$4.78	$4.64	$4.34	$5.69	$9.20
A.V. Company	$3.39	$2.29	$1.44	$1.16	$0.33	$0.33	$1.19	$0.71	$0.71	$0.60	$0.91	$0.80	$0.75	$1.26	$1.84



Gas Pipeline Safety

The Gas Pipeline Safety (GPS) Division, under a USC §60105 certification, oversees pipeline safety compliance for 90 gas and hazardous liquid pipeline operators with approximately 14,000 miles of intrastate pipeline. The Division oversight includes both inspection and enforcement for intrastate gas and hazardous liquid transmission and regulated gathering pipelines as well as gas distribution pipelines.

Type of Pipeline Miles in West Virginia						
				Gas Distribution		
Year	Hazardous Liquid [1]	Intrastate Gas Transmission	Regulated Gas Gathering [2]	Mains	Services	Total
2021	142	212	317	11,054	2,289	14,014
2020	142	212	328	11,031	2,322	14,035
2019	188	170	400	11,007	2,237	14,002
2018	151	168	399	10,961	2,282	13,974
2017	164	170	388	10,906	2,280	13,908

1. Mileage includes both transmission and gathering

2. Reported mileage may not represent all regulated gathering

Yearly variations in mileage occur as operators re-evaluate their pipelines according to regulations, changes in ownership, new construction and abandonment of old pipelines. Many production and gathering operators do not fall under GPS oversight and some operators do not understand the requirement to review their lines and determine changes in regulatory status. The ongoing surplus of natural gas in the state continues to create challenges. Changing philosophies regarding gathering and midstream assets have resulted in many ownership turnovers as operator divestiture of underperforming pipelines has created both a consolidation of operators and an increase in operators with small amounts of regulated pipeline mileage.

The Federal PIPES Act of 2020 added several new initiatives to pipeline safety, including §113 and §114. These self-executing sections include requirements to address methane emissions and require operators to review their operations and maintenance plans to address the reduction of methane emissions. In addition to other required inspections, GPS has inspected all regulated operator O&M plans during 2022.

The Leonel Rondon Pipeline Safety Act of the PIPES Act of 2020 adds additional requirements for inspection of distribution operators' integrity management plans, emergency plans and operations and maintenance plans for overpressure protections.

On November 15, 2021, U.S. Department of Transportation, Pipeline and Hazardous Material Safety Administration (PHMSA) issued new gathering line regulations that became effective May 16, 2022. Class 1 gathering lines eight inches or larger in diameter and operating at higher pressures must comply with the new regulations. The majority of newly regulated mileage will be associated with horizontal wells and shale plays in the state. These regulations will add significant pipeline mileage to GPS jurisdiction, but the number of new operators and additional mileage will be unknown until the operators file their 2022 annual reports, due March 15, 2023.

Public Service Commission Regulated Pipeline Operators					
Year	Hazardous Liquid	Gas Transmission[1]	Gas Gathering[1]	Gas Distribution[2]	Master Meters
2021[3]	7	12	22	16	33
2020	5	14	31	14	33
2019	5	12	30	16	33
2018	5	12	29	16	35
2017	5	16	27	16	35

1. Gas transmission operators with gathering pipelines are counted as both transmission and gathering operators
2. Includes liquid propane operator
3. Most current information from the 2022 annual reports

During 2022, GPS attempted to contact all gathering line operators through seminars and mailings to provide notification of the new regulations. In 2023, GPS Division will be verifying the new regulated operators through the submitted 2022 annual reports. GPS expects there to be an additional 500 to 2,000 miles of regulated gathering lines in the state. The gathering line inspections in 2023 will be limited due to a PHMSA-issued "Stay of Enforcement" for some of the newly regulated lines.

In addition, the new regulations require operators of unregulated gathering line operators to report the number of miles of lines to PHMSA. This will provide the first assessment of the gathering lines in West Virginia.

GPS oversight of operators requires in-person visits to review records and written procedures and to perform onsite inspections of pipeline facilities. In 2022, GPS was able to return to routine in-person inspections. While virtual inspections provide a means to monitor operators and are useful for some inspections, they cannot replace onsite, in-person evaluations. In 2022, the GPS Division performed 224 scheduled inspections including operations and maintenance, integrity management, operator qualification and drug and alcohol plans. The GPS Division investigated two reportable incidents during the year. In addition to scheduled inspections, GPS inspects construction activities to ensure compliance with design and construction safety regulations. In 2022, GPS inspectors spent 619 days performing inspections.

Inspection Performance			
Year	**Inspections**	**Inspectors**	**Inspection Days**
2022	224	4 full time; 3 part time; 1 temporary	619
2021	253	3 full time; 3 part time	710
2020	154	4 full time	525
2019	178	4 full time	516
2018	137	2 full time; 3 part time	439
2017	120	4 full time; 2 part time	547

Construction

Operators in West Virginia are now able, with Commission approval, to recover pipe replacement costs under annual 390P filings. Operators are working to replace older bare steel and other materials prone to leaking with newer, safer pipe materials. In accordance with federal requirements, GPS must spend at least 20% of its required inspection days on construction projects. In 2022, GPS spent 150 days, or 24.3% on construction inspections.

State regulations require operators to report projects costing more than $50,000 to GPS. The number of reported construction projects has greatly increased in recent years.

Year	Major Construction Projects
2022	355
2021	524
2020	280
2019	169
2018	155

Funding

The GPS Division is funded through a federal pipeline safety grant, which is a reimbursement grant based on actual expenditures from the previous year. Federal funding available for state pipeline safety programs is established by Congressional reauthorization of PHMSA. The amount of money available to states is dictated by reauthorization legislation. The PIPES Act of 2020 outlines the funds available for state programs for the next four years.

As a requirement of the federal grant, the GPS Division follows the *2022 Guidelines for States Participating in the Pipeline Safety Program* that details the requirements for the types of inspections, inspection intervals, minimum number of inspection days, reporting requirements, staffing levels and other criteria. GPS must file an annual progress report that outlines accomplishments of the previous year and is subject to an annual program review. The progress report and the results of the review affect the amount of federal funding GPS receives. The program is subject to a three-year audit to insure funds are spent appropriately. In 2021, PHMSA conducted the fiscal review with no adverse findings or issues.

Year	Total Eligible Grant Expenditures [1]	Actual Grant Reimbursement	Percentage Reimbursed
2023	$1,132,379	TBA	TBA
2022	$1,131,399[2]	TBA[3]	TBA
2021	$801,896	$503,992	62.85%
2020	$729, 085	$512, 914	70.35%
2019	$759,633	$470,345	61.90%
2018	$639,060	$476,901	74.62%

1. Includes both gas and hazardous liquid reimbursement. Hazardous liquids are about 5% of total funding, gas is 95% of funding. Represents actual spending by GPS.

2. Estimates submitted September 2022 for CY 2023. Submitted September 2021 for CY2022.

3. Actual grant reimbursement for 2022 based on documents to be submitted in February 2023. Payment of grant will occur by June 2023.

The remainder of the Division funding comes from a state pipeline assessment fee. A fee of $18.60 per mile of three-inch equivalent is levied annually on all regulated operators.

Training

All GPS inspectors are required to receive training on federal pipeline regulations at the PHMSA facility, in Oklahoma City, Oklahoma. Six classes must be completed within three years for an inspector to be considered a minimally trained gas pipeline safety inspector. Inspectors must meet minimum requirements prior to being allowed to inspect pipelines. Inspectors of hazardous liquid are required to receive additional training. Advanced level courses include integrity management, control room management and root-cause analysis. The GPS Division is required to have inspectors trained in all aspects and classes of pipeline safety. Training costs approximately $2,500 per class per inspector and is paid primarily by a federal grant.

The cost to send an inspector to all classes is approximately $60,000.

During 2022, two inspectors completed advanced training, while one inspector completed basic training. Two new inspectors started initial training in December 2022.

Staffing

PHMSA guidelines state GPS should have seven inspectors to provide adequate inspection and oversight of the operators and miles of regulated gas and hazardous liquid pipelines in West Virginia. During 2022, GPS lost an inspector who returned to the coal industry at approximately twice the state GPS salary. The Division hired two inspectors with significant pipeline experience, and a temporary to fill another position.

For the first time in years, the Division is fully staffed. It is difficult to maintain adequate staffing because of the state of the oil and gas industry and low state salaries. Once trained, inspectors frequently are hired by private companies at a 50-100% salary increase. The 2021 gathering line changes and other PIPES Act of 2020 mandates will increase the total regulated mileage and create the need for additional inspectors.

One-Call Program

PHMSA issued new federal damage prevention regulations to strengthen the protection of underground pipeline facilities by allowing enforcement actions against contractors violating the One Call regulations. GPS continues to work with WV811 to educate the public and ensure compliance with the state One Call law. During 2022, GPS assisted WV811 in removing certain statutory language that prevented WV811 from receiving federal damage prevention grants. As a result, WV811 was successful in obtaining one of the damage prevention grants for educational purposes.

In April 2022 GPS participated in the first statewide damage prevention seminar. Approximately 100 attendees representing industries including fiber optics, telecommunications, public service districts, excavators and pipelines, met to discuss underground damage prevention best practices.

State damage prevention enforcement regulations that became effective in 2018 created the 10-member Underground Facilities Damage Prevention Board to review violations of the state One Call law. PHMSA again determined during the 2022 annual review that the damage prevention enforcement in West Virginia was “adequate.” The Commission has a member on the board, but has no authority over the board or damage prevention enforcement. The lack of enforcement action could potentially hurt the GPS Division’s federal funding.

Working with Industry

The Commission has approved new pipeline replacement rates through 390P IREP cases for several distribution operators, increasing the rate of bare pipe replacement from up to 75 years to a cycle of between 20 and 30 years. This dramatic increase in construction activities will require additional inspectors.

GPS personnel continue to work with the oil and gas industry and provide guidance on changes to pipeline safety regulations. GPS held two educational seminars for industry representatives on topics such as regulatory changes. These seminars are facilitated by the GO-WV. GPS also provided training on the new gathering line regulations. GPS personnel regularly participate in GO-WV meetings to discuss proposed changes to federal regulations. Furthermore, GPS personnel work with industry representatives and organizations to create and update industry standards.

Siting of Pipelines

GPS is prohibited from participating in the siting and locating of pipelines (§24B-1-2(6)). Interstate pipelines are certificated by FERC and do not fall under state or Commission jurisdiction. GPS has no jurisdiction in siting intrastate pipelines and has no oversight of non-regulated gathering pipelines.

Farm Taps

In 2017, PHMSA enacted new regulations regarding farm taps, defining them as service pipelines. These regulations require taps on both regulated and unregulated pipelines to be inspected periodically. Farm tap operators are required to report the number of taps annually. Some concern exists that the new regulations could lead to the abandonment of taps and the loss of gas service in underserved areas if operators choose not to adhere to the regulations. In 2019, PHMSA issued a stay of enforcement regarding farm taps and allowed operators to inspect taps under the new regulations or existing integrity management requirements. In 2021, PHMSA clarified the farm tap regulations. The GPS Division is working with industry on compliance.

Gas supply for farm taps on gathering lines is an emerging issue. Many farm taps are on older gathering lines that were supplied by conventional wells drilled 20-50 years ago. These wells are reaching the end of their useful lives. While wells can keep farm taps supplied under normal conditions, during extreme cold weather they cannot match demand. The installation of gas-run generators creates the same issue during electric outages. Since the advent of horizontal wells, conventional wells are no longer drilled and the gas supply on older gathering lines is dwindling. At some point, gas flow will need to be reversed on the lines to continue to supply the approximately 20,000 farm tap customers with gas.

Gathering Lines

While GPS oversees the safety of certain regulated gathering lines (as defined in 49CFR192), the majority of production and gathering lines are outside regulatory oversight. Recent changes will increase the regulated mileage in West Virginia. In addition, operators of unregulated gathering lines will be required to file annual mileage reports.

National Association of Pipeline Safety Representatives

Gas Pipeline Safety Division Director Mary Friend was elected Chair of the National Association of Pipeline Safety Representatives (NAPSR), and served in that position until October 1, 2022. The annual NAPSR meeting was held in September 2022 in Charleston, West Virginia. Approximately 150 persons from many national regulatory and industry organizations attended the meeting. As a member of NAPSR, Friend serves on numerous industry and NAPSR committees, and was awarded the prestigious 2018 Chairman's Award for Outstanding Service for her many contributions to improve pipeline safety.

Water and Wastewater

West Virginia American Water Company

West Virginia American Water Company (WVAW) filed rate cases seeking a $40.48 million increase, or 26%, for its water operations; and a $340,289, or 31% increase, for its sewer operations (Case Nos. 21-0369-W-42T and 21-0370-S-42T). The proposed water rate increase would affect more than 167,000 customers in 19 counties and the customers of 12 other entities that purchase water from the Company. The proposed sewer rate increase would affect 1,113 customers in Fayette County.

WVAW also filed a proposed change in its depreciation rates, which would result in an increase in the Company's annual depreciation expense for both water and sewer operations (Case No. 21-0368-WS-D). The Company requested the rates go into effect at the same time as new base rates.

WVAW also filed a petition for approval of a Distribution System Improvement Charge (DSIC) for 2022 (Case No. 21-0507-W-DSIC). The Company proposed the DSIC for accelerated rate recovery of approximately $32.5 million in infrastructure replacement and system upgrades. The Company proposed an additional DSIC rate increase of 1.87% to go into effect March 1, 2022. Intervenors in these cases include CAD, the Kanawha County Commission and WVEUG.

The Commission approved an increase in water rates of $23.3 million, which included a roll-in DSIC of approximately $9.9 million that customers were paying already in their monthly bills. The Commission also approved an annual increase of the Company's sewer operations of $259,000.

The Commission implemented a special reduced rate for residential services. Rates for residential customers who receive benefits from Social Security Supplemental Security Income, Temporary Assistance for Needy Families, TANF Unemployed Parent Program or Supplemental Nutrition Assistance Program (if 60 or older) will not be increased. These cases are now closed.

WVAW filed a petition for approval of a Distribution System Improvement Charge (DSIC) for 2023 (Case No. 22-0605-W-DSIC). WVAW proposed investing $48.7 million from January 2023 through December 2023 in distribution system improvements, a DSIC rate component of 6.45%, which is 4.38% above current rates, to recover $10.9 million. The Company requested the new DSIC rates go into effect January 1, 2023.

The Parties filed a Joint Stipulation, which authorized a 2023 DSIC revenue requirement of $10.1 million and a DSIC rate component of 5.98% to be effective on January 1, 2023. The Commission accepted the Joint Stipulation. This case is now closed.

Beckley Water Company

Beckley Water Company applied for an increase in water rates and charges of approximately $2.7 million, or 19.8% (Case No. 21-0493-W-42T). The average monthly rate increase for residential customers would range from $6.10 to $7.01.

The Parties filed a Joint Stipulation recommending a two-step increase. Step one would increase rates by 10.02 %, or $1.36 million annually. Step two would take place upon completion of the Glen White-Trap Hill project, and increase rates by 13.62% over the initial rate, or $1.85 million annually. The Commission approved the stipulated rates.

The Company additionally sought approval of a 2022 DSIC to recover costs associated with the replacement and relocation of 3.82 miles of mainlines along W.Va. 3 from Beaver towards Shady Spring (Case No. 21-0721-W-DSIC). The Company estimated its average monthly investment for 2022 at $1.99 million, and requested approval to increase rates by approximately 3.42%, which would generate an additional $227,454 in 2022, and $452,535 in 2023.

Staff recommended the Commission approve the request but at a lower rate. The Parties filed a Joint Stipulation recommending a two-step process to implement new DSIC rates. Initially, the DSIC would add 1.26% to the recently approved rates, beginning on June 1, 2022. The second step would increase rates by an additional 1.28%. The Commission approved the stipulated DSIC rates. These cases are now closed.

Gauley River Public Service District

Following a series of water outages, some lasting for extended periods, to the Mt. Olive Correctional Complex in Fayette County, Commission Staff filed a petition requesting the Commission open a General Investigation into the availability of water to Mt. Olive and into the practices of Gauley River PSD (Case No. 22-0205-PWD-GI). Gauley River PSD is also the subject of an investigation to determine whether it is a distressed or failing utility (Case No. 22-0456-PWD-P).

Water to Mt. Olive is provided by the Gauley River PSD (GRPSD), which in turn purchases water for resale from both Kanawha Falls PSD (KFPSD) and the City of Summersville. The Commission opened a General Investigation and named GRPSD, KFPSD, Summersville and WVAW as Parties. Interruption of water service to a maximum-security prison facility has the potential to result in a dangerous incident and a threat to public safety.

Staff determined that (i) the bulk water supply that GRPSD receives from KFPSD is inadequate to provide reliable service to Mt. Olive, (ii) the connection and transmission facilities between Summersville and GRPSD are inadequate to provide water to Mt. Olive, and (iii) WVAW owns and operates facilities in Smithers and is willing to assist by constructing an emergency interconnection with KFPSD to provide water to serve Mt. Olive. The Commission ordered the Parties to meet regarding a potential resolution of the issues.

Staff has recommended the Commission establish proceedings to determine whether both GRPSD and KFPSD are distressed or failing utilities. This case is pending before the Commission. These cases are pending before the Commission.

West Virginia American Water and Eastern Panhandle Water and Sewer Utilities

Shenandoah Junction Public Sewer, Inc., serving 187 sewer customers in Jefferson County, filed a petition requesting the Commission determine Shenandoah is a distressed/failing utility (Case No. 21-0260-S-DU). Cave Road Utilities, LLC, serving 47 water and sewer customers in Jefferson County, filed a petition requesting the Commission determine that it is a distressed/failing utility (Case No.21-0818-S-DU). Cave Road and Jefferson Utilities, Inc. (JUI) filed joint petitions for approval of the sale and transfer of Cave Road's water and sewer utility assets to JUI (Case Nos. 22-0369-W-PC-PW and 22-0370-S-PC-PW). JUI serves 3,370 water customers in Jefferson County. The Commission consolidated these cases and held a public comment hearing in Charles Town.

WVAW, along with JUI, Shenandoah, Valley Water & Sewer Services and East Jefferson Sewer Services have filed a joint application for WVAW to acquire the assets of JUI, Shenandoah, Valley and East Jefferson (Case No. 22-0796-WS-PC). Valley provides water service to approximately 123 customers in Morgan County and East Jefferson provides sewer service to approximately 181 customers in Jefferson County.

The Commission ordered the two distressed utility cases be held in abeyance pending the outcome of the acquisition case and granted requests from Charles Town Utility Board and CAD to intervene. These case are pending before the Commission.

Distressed or Failing Utility Cases

West Virginia has 596 separate water and sewer utility systems across the state. Over time, some have fallen into disrepair and struggle to provide customers with safe, adequate and affordable service. With the intention of ensuring that citizens have access to adequate and safe drinking water and sewage treatment, the Legislature enacted a law, supported by the Public Service Commission, the West Virginia Water Development Authority (WVWDA) and the West Virginia Infrastructure and Job Development Council (WVIJDC), to assist distressed and failing water and sewer utilities.

Struggling water and sewer systems now have a process that may result in them being acquired by another utility. If a utility is unable to stabilize its operations or financial condition after the Commission's assistance, a proceeding may be initiated to determine whether the utility is distressed or failing. The proceeding may be initiated by the Commission, Commission Staff or by any other person or entity having a legal interest in the utility.

If the Commission determines a utility is distressed, the Commission can order a number of alternatives, including reorganization of the utility under new management or a new board, an operation and maintenance agreement or merger with another public utility. If the Commission determines a utility to be failing, the Commission may order another utility to acquire it.

<u>Utilities Designated by Final Order as Distressed or Failing</u>

Boone-Raleigh Public Service District

<u>Case No. 21-0066-PSD-DU</u>: Boone County Commission requested the Commission determine whether Boone-Raleigh PSD was a distressed/failing utility

<u>Number of Customers</u>: 380 sewer

<u>Potential Capable Proximate Utilities</u>: Boone County PSD;, Bradley PSD, West Virginia American Water Company (WVAW)

<u>Additional Parties</u>: Boone County Commission, CAD

<u>Status</u>: This case is closed.

<u>Resolution</u>: The Commission determined that Boone-Raleigh PSD was a failing utility; named WVAW the most suitable capable proximate utility; ordered WVAW to acquire Boone-Raleigh's failing wastewater system and recommended approval of the acquisition to the Boone County

Commission. The Commission later ordered WVAW and Boone-Raleigh to negotiate the terms of an administrative service contract to be in effect while the Parties continue to negotiate the acquisition of Boone-Raleigh by WVAW.

Utilities Designated by Final Order as Not Being Distressed or Failing

P&P Enterprises Utilities

Case No. 22-0328-W-DU: Avalon Village Condo Owners Association (AVCOA) requested PSC conduct a review of its local utility (P&P Enterprises)

Number of Customers: 36 sewer; 2 water

Potential Capable Proximate Utilities: Central Hampshire PSD, the Town of Paw Paw, the City of Romney, the Town of Capon Bridge

Additional Parties: CAD

Status: This case is now closed.

Resolution: The Commission declined to find P&P Enterprises Utilities as distressed or failing, but adopted Staff's recommendations for required corrective actions, including quarterly reporting, required P&P to name a designated general manager, to regularly update its contact information with the Office of the Executive Secretary of the Commission and to timely respond in all Commission matters.

Distressed or Failing Utility Proceedings Pending Before the Commission

Bessinger Rental Management

Case No. 20-0707-W-DU: The Commission initiated a General Investigation into the utility practices and procedures of Bessinger Rental Management (BRM)

Case No. 20-0997-W-X: BRM filed notice to abandon customers

Number of Customers: 10 water

Potential Capable Proximate Utility: Town of Harman

Additional Parties: Randolph County Commission, CAD

Status: The Commission determined that BRM was a failing utility; named the Town of Harman the most suitable, capable proximate utility; and ordered the Town of Harmon to acquire BRM's failing water system. This case is pending before the Commission.

The Newell Company

Case No. 20-1033-WS-DU: Newell requested to be declared distressed/failing utility

Number of Customers: 650 water; 425 sewer

Potential Capable Proximate Utilities: Tomlinson PSD, Hancock PSD

Additional Party: CAD

Status: This case is pending before the Commission.

Lincoln Public Service District

Case No. 21-0258-PWD-DU: PSC Staff requested PSC determine whether Lincoln PSD was a distressed/failing utility

Number of Customers: 2,474 water

Potential Capable Proximate Utility: WVAW

Additional Parties: Lincoln County Commission, CAD

Status: The Commission determined Lincoln PSD was a distressed utility and required the utility prepare and implement a corrective action plan to remediate the issues and to provide routine progress reports. Commission Staff has recommended Lincoln PSD be required to file status updates concerning the District's progress completing the corrective actions and addressing various deficiencies and to file its monthly progress reports for the meters until the 200 meters have been replaced, but that it be allowed to continue its operations. This case is pending before the Commission.

Shenandoah Junction Public Sewer
Cave Road Utilities

Case No. 21-0260-S-DU*: Shenandoah requested the Commission determine it is a distressed/ failing utility.

Case No.21-0818-S-DU*: Cave Road requested the Commission determine that it is a distressed/failing utility

Case No. 22-0369-W-PC-PW*: Joint petition for sale and transfer of Cave Road water assets to Jefferson Utilities, Inc. (JUI)

Case No. 22-0370-S-PC-PW*: Joint petition for sale and transfer of Cave Road sewer assets to JUI

Number of Customers: Shenandoah: 187 sewer; Cave Road Utilities: 48 sewer and 48 water; JUI: 3,154 water

Potential Capable Proximate Utilities: Charles Town Utility Board, JUI

Additional Parties: WVAW

Status: The Commission ordered these cases be held in abeyance pending the outcome of the WVAW, JUI acquisition case (22-0796-WS-PC, detailed on page 41 of this report).

**Cases were consolidated on 06/30/22*

Town of Cedar Grove

Case No. 21-0801-S-DU: PSC initiated proceeding to determine whether the Town of Cedar Grove's sewer utility is a failing/distressed utility

Number of Customers: 400 sewer

Potential Capable Proximate Utility: Kanawha PSD, WVAW

Additional Parties: CAD

Status: In December 2022, the Commission found that the Town of Cedar Grove is a financially distressed wastewater utility; adopted remedial measures to address deficiencies; approved the Settlement Agreement between Cedar Grove and Kanawha PSD; and required Cedar Grove to file monthly financial status reports and an improvement plan. The Commission did not find Cedar Grove to be a failing utility at the time. The Commission will evaluate Cedar Grove's status in six months. This case is pending before the Commission.

Greater Paw Paw Sanitary District

Case No. 21-0827-PSD-DU: Former board chair requested utility be placed in receivership

Number of Customers: 1,318 sewer

Potential Capable Proximate Utility: City of Fairmont

Additional Parties: WV Water Development Authority, CAD

Status: Greater Paw Paw has filed a corrective action plan with the Commission. This case is pending before the Commission.

Gauley River Public Service District

Case No. 22-0205-PWD-GI: PSC initiated a General Investigation into the availability of water to the Mt. Olive Correctional Complex and the public utility practices of Gauley River PSD

Case No. 22-0456-PWD-DU: PSC Staff requested PSC determine whether Gauley River PSD is a distressed/failing utility

Number of Customers: 1,232 water

Potential Capable Proximate Utilities: City of Summersville; WVAW

Additional Parties: Mt. Olive Correctional Complex, Kanawha Falls PSD, the City of Summersville, Fayette County Commission, CAD

Status: The Commission ordered the Parties to meet and confer and in good faith attempt to resolve the issues concerning the supply of water to the Mt. Olive Correctional Complex.

These cases are pending before the Commission. See additional details on page 40.

Kanawha Falls Public Service District

Case No. 22-0631-PWD-DU: PSC Staff requested PSC determine whether Gauley River PSD is a distressed/failing utility

Number of Customers: 1,015 water

Potential Capable Proximate Utility: City of Summersville, WVAW

Additional Parties: Gauley River PSD, WVAW, City of Summersville, Fayette County Commission, CAD

Status: The Commission required parties to provide a list of capable proximate utilities. This case is pending before the Commission.

Arthurdale Water Association

Case No. 22-0842-W-DU: Preston County PSD No. 1 requested PSC determine that Arthurdale Water Association is a failing utility

Number of Customers: 109 water

Potential Capable Proximate Utility: Preston County PSD No. 1

Status: The Commission's Legal Staff recommended that Arthurdale not be deemed a distressed or failing utility and that the Commission dismiss the petition. This case is pending before the Commission.

Armstrong Public Service District

Case No. 22-0911-PWD-DU: WVAW requested PSC determine that Armstrong PSD is a distressed/failing utility

Number of Customers: 879 water plus wholesale customers; 822 sewer

Potential Capable Proximate Utility: WVAW

Additional Party: CAD has petitioned to intervene

Status: This case is pending before the Commission.

Whitmer Water Association

Case No. 22-0993-W-DU: Randolph County Commission requested the Commission determine whether Whitmer is a distressed or failing utility.

Number of Customers: 104 water

Potential Capable Proximate Utility: The Town of Harman

Additional Parties: Randolph County Commission

Status: This case is pending before the Commission.

West Virginia Infrastructure and Jobs Development Council

The Public Service Commission is a voting member of the West Virginia Infrastructure and Jobs Development Council (WVIJDC). The WVIJDC serves as the funding clearinghouse for West Virginia's water, wastewater and economic development projects and streamlines support for needed infrastructure projects. Commission Staff serve as members of the Technical Review Committees (both water and sewer), the Funding Committee, the Consolidation Committee and the full Council.

Staff performs financial and engineering reviews for water and sewer filings brought before the WVIJDC. No other agency completes an independent review of the proposed utility rates, nor does any other agency have the extensive organizational knowledge of utilities and their service territories to identify opportunities for consolidation, merger or other opportunities to increase efficiencies and lower the cost of providing utility service. Various state agencies, including the West Virginia Department of Health and Human Resources, Bureau for Public Health and the WVDEP, rely on the Commission's review of WVIJDC filings and incorporate those reviews in their final recommendations.

The engineering review takes into account the likely impact of a proposed project on the short- and long-term operations and maintenance costs of the utility. These estimates serve as a useful measure of the project's cost effectiveness and efficiency. Staff works closely with the applicants and their project teams to correct errors and fill data gaps in preliminary applications filed with the WVIJDC. In 2022, Staff reviewed 299 WVIJDC applications.

The Commission also assists the Council when questions arise about utility practices, ratemaking and regulation of public utilities.

Water and Sewer Certificate Cases

During 2022, the Commission approved 27 cases totaling more than $110 million in investments to extend water or sewer service to more than 770 new customers. Municipalities, public service districts and water or sewer associations must obtain certificates of convenience and necessity from the Commission to expand, upgrade or replace water and sewer infrastructure within their territories. A utility seeking a certificate of convenience and necessity submits an application, an engineering study describing the scope of the project, specifications for physical infrastructure to be constructed, estimated costs and the benefits to be provided by the project. The filing must describe sources of funding for the project, such as loans and grants, and contain detailed financial statements regarding the impact of the project in terms of any additional customer revenue, changes in operating expenses and annual debt service requirements related to the project. The utility may request an increase in rates to support project costs.

The filing is reviewed to determine the adequacy of the supporting data. Additional material may be requested to assure the Commission has all information required to determine the reasonableness of the request. Staff reviews the engineering specifications for design, cost and rate impact. Staff also reviews and analyzes the financial and operational data to determine appropriate rate levels if the utility's current rates do not generate adequate revenue to support the project costs. A public hearing is held and evidence is submitted by the utility, Staff and any intervenors about the need for the project, modifications to the project and the proper rates to support it. The Commission uses this evidence to determine if the project should be granted a certificate, and what would be the appropriate rates.

Following is a table summarizing those projects for which certificates of convenience and necessity were approved during 2022.

Utility Name	Estimated Cost	Pre-Project Customers	Customers Added	Date Approved
Adrian PSD	$9,032,000	2,070	131	1/5/22
Armstrong PSD	$2,503,000	734	0	2/17/22
Brooke County PSD	$5,950,000	1,226	178	11/23/22
Buffalo Creek PSD	$3,743,000	1,865	49	6/16/22
Central Hampshire PSD	$4,975,000	788	79	11/7/22
Chestnut Ridge PSD	$5,300,000	1,149	0	8/15/22
City of Benwood Sanitary Board	$3,184,900	560	0	6/13/22
City of Richwood	$9,091,081	959	76	3/22/22
Enlarged Hepzibah PSD	$1,893,000	853	--	4/12/22
Franklin Municipal Water Dept.	$3,272,318	718	0	11/7/22
Grandview-Doolin PSD	$827,000	1,022	24	4/4/22
Grandview-Doolin PSD	$3,225,142	1,002	3	9/15/22

Utility Name	Estimated Cost	Pre-Project Customers	Customers Added	Date Approved
Grant County PSD	$4,358,000	2,745	73	1/30/22
Kermit Municipal Water Dept.	$3,433,000	530	--	11/29/22
Lavalette PSD	$3,000,000	3,766	0	11/7/22
Little Creek PSD	$906,000	913	11	3/15/22
Mercer County PSD	$2,500,000	75	0	11/6/22
Minerial Wells PSD	$9,023,150	1,753	0	10/12/22
New Haven PSD	$4,620,265	1,770	55	11/22/22
Norton-Harding-Jimtown PSD	$1,813,000	321	37	7/12/22
Pocahontas County PSD	$1,885,280	670	0	7/19/22
Southern Jackson County PSD	$15,700,000	730	52	2/7/22
Town of Elizabeth	$1,760,000	860	0	8/15/22
Town of Ellenboro	$2,368,000	860	0	5/24/22
Town of Rivesville	$1,156,992	543	0	7/18/22
Town of Tunnelton	$1,470,000	165	0	5/31/22
Wilderness PSD	$3,424,508	2,060	3	8/9/22

Public Water and Sewer 42A, 42R and 42T Rate Cases

The Commission has rate jurisdiction over public service districts with fewer than 4,500 customers or annual gross revenues less than $3 million. Those water and sewer utilities under Commission jurisdiction with revenues in excess of $3 million and fewer than 4,500 customers are required to file full financial support for requested rates. Proposed rates are published and Staff reviews the utility's books and records.

Following its review, Staff recommends rates. If the utility does not object to Staff's proposed rates, and if there is not significant public protest, Staff's recommended rates may be approved without a public hearing. If the utility objects or if there is significant public protest, a hearing may be held. Based on testimony and evidence presented at the hearing, the Commission determines a reasonable level of rates.

In 2022, the Commission completed six public water and sewer rate cases. Those cases are summarized below.

Utility Name	Amount Requested	% Requested	Amount Granted		Percent Granted		Customers	Date Approved
			Step 1	Step 2	Step 1	Step 2		
Bradley PSD	$82,131	6.50%	$60,423	$82,132	4.80%	6.49%	1,600	12/16/22
Flatwoods-Canoe Run PSD	$224,412	17.98%		--	15.49%	--	1,264	6/8/22
Flatwoods-Canoe Run PSD	$300,251	15.81%	$247,801	--	13.57%	--	1,991	8/7/22
Summit Park PSD	$56,439	25.43%	$56,850	--	23.02%	--	402	2/22/22

Utility Name	Amount Requested	% Requested	Amount Granted		Percent Granted		Customers	Date Approved
			Step 1	Step 2	Step 1	Step 2		
Summit Park PSD	$34,368	10.79%	$34,437	--	10.82%	--	496	2/22/22
Union Williams PSD	$203,475	14.10%	$108,248	--	7.50%	--	1,827	6/27/22

Rule 19A Rate Cases

The Commission uses an accelerated and simplified procedure for smaller utilities with fewer than 4,500 customers and annual gross revenues less than $3 million to file for increased rates without requiring these utilities to develop financial exhibits and rate requests. In those instances, Staff performs the financial analyses required to establish appropriate rates. In most cases, the utility does not request specific rates or a given level of increase, and the Staff recommends new rates for the utility. This process, a 19A rate case, saves the utility the time and expense of preparing and filing a full rate case.

In 2022, 40 19A rate filings were completed. Those cases are summarized below.

Utility Name	Amount Granted		Increase / Decrease		Customers	Date Approved
	Step 1	Step 2	Step 1	Step 2		
Arthurdale PSD	$12,526	--	40.99%	--	109	12/5/22
Branchland-Midkiff PSD	$135,153	$142,575	19.20%	19.93%	1,119	11/2/22
Buffalo Creek PSD (Sewer)	$173,961	$299,855	19.66%	25.31%	1,865	11/3/22
Buffalo Creek PSD (Water)	$135,725	--	21.40%	--	1,521	11/2/22
Center PSD	$67,986	$67,777	10.21%	10.46%	739	9/19/22
Central Barbour PSD	$60,524	--	9.05%	--	1,083	9/18/22
Chestnut Ridge PSD	$128,777	--	16.06%	--	1,181	7/28/22
Cowen PSD	$127,127	$138,767	29.57%	25.41%	556	11/1/22
Craigsville PSD	$193,405	--	18.21%	--	2,023	11/15/22
Crum PSD	$90,236	$39,402	8.59%	3.75%	1,351	1/3/22
Culloden PSD	$46,954	--	4.45%	--	1,192	7/3/22
Enlarged Hepzibah PSD (Sewer)	$83,708	--	25.20%	--	759	3/21/22
Enlarged Hepzibah PSD (Water)	$43,526	--	6.53%	--	853	3/22/22
Gauley River PSD	$75,877	--	5.24%	--	1,242	8/12/22
Greenbrier County PSD	$124,700	--	24.28%	--	737	10/15/22
Hammond PSD	$48,305	--	7.86%	--	909	2/16/22
Hamrick PSD	$87,815	--	19.09%	--	774	10/17/22
Kanawha Falls PSD	$173,612	--	20.38%	--	1,015	11/2/22
Kingmill Valley PSD	$72,944	$87,596	11.50%	13.81%	1,430	12/6/22
Lake Floyd PSD	$21,933	--	33.72%	--	151	3/17/22
Lincoln PSD	$299,975	--	18.85%	--	2,474	10/9/22

Utility Name	Amount Granted		Increase/Decrease		Customers	Date Approved
	Step 1	Step 2	Step 1	Step 2		
Marshall County PSD #3	$107,422	--	11.49%	--	1,173	9/22/22
Midland PSD	$108,905	--	19.76%	--	910	10/17/22
Mountain Top PSD	$18,182	--	12.54%	--	300	9/29/22
The Newell Company	$142,737	--	31%	--	608	4/8/22
Oakland PSD	$109,818	--	20.20%	--	940	9/11/22
Ogden Sewer Company	$11,680	--	30.79%	--	81	3/23/22
Pleasants County PSD	$108,726	--	23.67%	--	823	8/8/22
Red Sulphur PSD (Water)	$98,380	--	9.74%	--	2,279	7/11/22
Red Sulphur PSD (Sewer)	$944,057	--	7.19%	--	1,235	7/11/22
Sewage Systems	$23,198	--	27.32%	--	162	6/16/22
Sugar Lane Water Assn.	$16,113	$9,702	40.19%	24.20%	116	2/16/22
Sun Valley PSD (Water)	$69,587	--	5.84%	--	1,218	7/20/22
Sun Valley PSD (Sewer)	$50,508	--	10.10%	--	703	7/20/22
Tri-County Water Assn.	$242,170	$261,485	31.37%	33.88%	1,153	12/20/22
Valley Falls PSD	$119,130	$61,057	11.64%	5.96%	1,710	2/28/22
Washington Pike PSD	$253,774	$110,251	35.04%	11.23%	1,372	12/29/22
Walton PSD	$76,347	$22,507	15.86%	4.03%	839	6/27/22
Williamsburg Sewer System	$5,054	--	6.74%	--	208	7/21/22
Windwood Water Works	$17,742	$14,888	100.41%	72.12%	60	9/26/22

Rule 30B Pass-Through Cases

The Commission allows smaller water and sewer utilities that purchase finished water for resale, or that have sewage they collect treated at a plant operated by another utility to file to recover rate increases on an expedited basis for resale rates levied on them. In these cases, the Commission allows the purchasing utility to increase rates to its customers enough to make the utility whole for the increased cost imposed upon it for the purchased water or sewage treatment. The utility is required to publish the new rates and to provide an opportunity for public protest.

Because the amount of the pass-through rate is a mathematical calculation, there is rarely a dispute between the utility and Staff as to rates. If no significant public protest is received, the rates are usually approved without a public hearing. If high levels of unaccounted for or lost water are discovered during Staff's review, the Commission may require the utility to determine the causes of the loss, develop a remediation plan and report the results of steps taken prior to approving the interim rate increases as final rates. Twenty-one 30B pass-through rate filings were completed in 2022.

Telecommunications

Suddenlink Communications Quality of Service General Investigation

After receiving more than 1,900 complaints from Suddenlink's cable television customers over the past two years regarding billing, delays in restoring service, inability to place orders for service or reaching contact personnel regarding the status of requests, the Commission initiated a Show Cause-General Investigation into the quality of Suddenlink's cable television service and ordered Suddenlink Communications to show why it should not be required to take specific steps to improve service to customers and why the Commission should not impose penalties as authorized by state law (Case No. 21-0515-CTV-SC-GI). Suddenlink is the second largest telephone provider and one of the five largest cable television companies in the state, serving up to 350,000 customers in 31 counties in West Virginia. CAD, Kanawha County Commission and the Cities of Beckley, Charleston and Elkins were granted intervenor status in the case.

The Commission ordered Suddenlink to file information, including details on completed and projected improvement projects to its cable television service; specific outage information; the processes used to issue and track trouble tickets; customer complaint call logs; a copy of all Suddenlink's current franchises for cable television service in the state; and metrics regarding training, personnel, office locations and hours of operation.

Staff made a number of recommendations, including that the Commission impose penalties on Suddenlink for failing to restore service to customers as required by W.Va. Code §24D-1-15-(b). Those penalties include a $1,000 penalty for failing to restore service within 24 hours after notification by a customer and an additional $1,000 penalty for each 24-hour period the customer remains without service.

In February 2022, the Commission issued a Final Order, finding that the Company had failed to provide safe, adequate and reliable service to its West Virginia subscribers. The Commission also determined that Suddenlink intentionally reduced its maintenance work and budget, reduced the number of full time employees, changed its method of communicating with customers and ignored thousands of customer complaints.

The Commission assessed immediate penalties of $2,242,000, which was the maximum penalty to date. The Commission also ordered Suddenlink to locate a call center in West Virginia. The company was to notify the Commission within 90 days, detailing its expected location and the anticipated date the center will open. Suddenlink objected to many of the directives in the Commission's Order. This case is pending before the Commission.

Ohio County 9-1-1 v. Frontier Communications
West Virginia Enhanced 9-1-1 Council v. Frontier Communications
Marshall County 9-1-1 v. Frontier Communications
Brooke County 9-1-1 v. Frontier Communications

In March 2022, Ohio County 9-1-1, the West Virginia Enhanced 9-1-1 Council, Marshall County 9-1-1 and Brooke County 9-1-1 all filed complaints against Frontier Communications (Case Nos. 22-0274-T-C, 22-0275-T-C, 22-0277-T-C and 22-0278-T-C, respectively), stating that wireless 9-1-1 service was interrupted at various times and durations during the prior several weeks. The complainants requested Frontier provide immediate notification to the 9-1-1 centers, immediately re-route any 9-1-1 trunks down through Frontier tandems to the 9-1-1 centers' 10-digit telephone lines, that Frontier's line personnel immediately begin working to repair the causes of the interruptions and that Frontier provide service maps of all in-service trunk lines in the affected areas and all other Public Safety Answering Points (PSAP) in West Virginia with the redundant paths.

The Parties filed a Stipulation and Agreement for Settlement whereby Frontier agreed to a number of changes, including undertaking regular, preventative maintenance routines; improving the tracking and inventory management of network cards; establishing a standard process for individualized route diversity education for county PSAPs; and file monthly status reports on their work to improve these systems. These cases are now closed.

Frontier West Virginia, Inc.'s Paper Billing Fee

Commission Staff filed a Show Cause Petition requesting the Commission initiate a show cause proceeding to prohibit Frontier from imposing a $2.99 monthly fee for paper billing customers who receive both dial tone phone and internet services (Case No. 22-0450-T-SC). Staff also argued that Frontier failed to notify the Commission of the $2.99 fee. Frontier filed a motion to dismiss Staff's show cause petition and argued the Commission did not have jurisdiction under federal or state law to regulate the internet service paper billing fee. The Commission held an evidentiary hearing on the matter.

The Commission ordered Frontier to stop charging the paper billing fee to customers for telecommunication services, including a single bill for telephone and separate or bundled non-telecommunication services, including internet services. This case is now closed.

Kanawha and McDowell County Commissions Request General Investigation into Frontier Quality of Service

The Kanawha County Commission (KCC) filed a complaint and asked the Commission to open a General Investigation into the conduct of Frontier Communications and the service provided to customers in the Laurel Fork and Ben's Fork areas of Kanawha County (Case No. 22-0628-T-P). The KCC stated some of the affected customers had been without service for almost 30 days. The KCC asked the Commission to immediately require Frontier to complete repairs and credit customers for the days they were without service. The KCC also requested an audit of Frontier's actions in responding to the outages, including the number of customer outages, number of complaints and the reason for the delay in making the repairs.

The McDowell County Commission (MCC) also filed a complaint with the Commission on behalf of its residents regarding numerous and prolonged telephone outages and requested a General Investigation into Frontier (Case No. 22-0791-T-P).

Commission Staff filed a petition to dismiss the two county commission complaint cases and reopen Case No. 18-0291-T-P, the Frontier Citizens Copper Network and Quality of Service complaint case in which the Commission ordered Frontier to hire an outside firm to conduct a focused service quality management audit report.

The Commission, which received 1,079 Frontier quality of service complaints between June 2021 and October 2022, determined Frontier's copper network quality of service failures continue, particularly in the more rural areas of West Virginia. The Commission also discovered that Frontier was not taking trouble tickets when a known outage existed.

The Commission reopened Case No. 18-0291-T-P, stayed Case Nos. 22-0628-T-P and 22-0791-T-P and made KCC and MCC Parties in Case 18-0291-T-P. The Commission also ordered Frontier to file an action plan within 45 days to reduce extended outages on its copper network to a more reasonable level, reduce the number of customer complaints, reduce battery-related issues and address installation of new batteries to resolve current issues in its service areas. The Commission also ordered Frontier to file status reports regarding implementation of the action plan.

Federal Universal Service Funding by Eligible Telecommunications Carriers

The Federal Communications Commission (FCC) requires each state to certify that all high cost funds flowing to rural and non-rural carriers in that state are used in accordance with the Telecommunication Act of 1934. The Commission initiated a proceeding regarding the use of Federal Universal Service Funding by Eligible Telecommunications Carriers in West Virginia (Case No. 22-0342-T-GI).

A Recommended Decision was issued directing a certification be issued to the FCC and the Universal Service Administration Company stating that the carriers appropriately utilized federal high-cost and other universal service support. This case is now closed.

Enhanced 911 Wireless Tower Access Assistance Fund

Revenue for the Wireless Tower Access Assistance Fund (WTAAF) is generated from a fee collected each month from cell phone subscribers. The Commission administers this fund, but it passes all monies to recipients, as required by law. The Commission does not charge for its services in collecting the fees or administering the grants.

Initially $83,333.33 collected from that fee was deposited into the WTAAF each month. In 2020, the Legislature replaced that set amount with a wireless tower fee of eight-cents per in-state, two-way wireless service subscriber per month. The fund began 2022 with a balance of $583,888.

In 2022, Clay County was awarded an initial grant of $519,443 and an additional grant of $128,456. Grant County was awarded a grant of $590,822, and Cabell County was awarded a grant of $400,000. The WTAAF had a balance of $37,392 of uncommitted funds as of December 30, 2022.

Transportation Safety Enforcement

Special Initiatives

The Commission's Transportation Division works with the Commercial Vehicle Safety Alliance (CVSA) and the Federal Motor Carrier Safety Administration (FMCSA) to increase safety enforcement for commercial motor vehicles (CMV) on interstate highways and other heavily traveled roadways to reduce commercial vehicle and passenger carrier incidents. In 2022, Transportation Officers worked with FMCSA to increase the number of passenger carrier inspections and on a variety of special initiatives, including the annual 72-hour International Roadcheck, Brake Safety Week, Hazardous Materials Road Blitz and Operation Safe Driver.

Officers teamed with the Governor's Highway Safety Program to encourage increased seatbelt use in passenger and commercial motor vehicles through a "Click It or Ticket" campaign. The initial blitz occurred in October 2022, and will be followed by three more in 2023. In 2022, Officers also participated in the GHSP Speed Enforcement campaign and the Distracted Driving campaign.

To combat human trafficking, Officers received education from Truckers Against Trafficking and CVSA during the summer of 2022. Issues covered in training included The Rules of the Game, Do's and Don'ts for Roadside Officers when Interacting with a Human Trafficking Victim, Types of Traffickers and Sex Trafficking. The Commission has two Officers trained as Human Trafficking outreach coordinators.

PSC Transportation Officers Earn $40 Million for State Highway Fund

In 2022, the Commission's Transportation Officers earned $40 million for the State Highway Fund by once again meeting all federal requirements for enforcing laws relating to maximum vehicle size and weights on the Interstate Highway System and state highways. Meeting these requirements is necessary for West Virginia to receive its full allotment of the federal-aid highway funds for the National Highway System. The PSC has met these requirements every year since taking over weight enforcement efforts from the West Virginia Division of Highways (DOH) in 2003. Had the PSC not met the federal requirements, the state would have suffered a 10% reduction in funds, a loss of about $40 million per year. The funds are received by DOH and used for maintenance or other improvements.

Federal Highway Administration policy mandates each state enforce vehicle size and weight laws to discourage violations and to assure vehicles traveling the highway system do not exceed limits specified by law. Size and weight limits are based upon design specifications and safety considerations. Enforcement efforts are developed and maintained to prevent premature deterioration of the highway pavement and structures and to provide a safe driving environment.

Working with Law Enforcement

Transportation Officers participate in many joint activities with the West Virginia State Police (WVSP). Historically, they have assisted with firearms training during Basic and Cadet Classes at the WVSP Academy, assisted with annual firearms training for current troopers and worked on drug interdiction investigations and other efforts as requested by the WVSP. Transportation Officers also work with local law enforcement on DUI, seatbelt and speed control activities. All these joint activities have been limited during 2022 as a result of the COVID-19 pandemic.

Officers also worked with the WVSP on the West Virginia Turnpike to increase safety enforcement during the busy road construction season.

Coal Resource Transportation Division

The Coal Resource Transportation System (CRTS) has significantly increased public safety while allowing coal producers to efficiently transport coal in 19 West Virginia counties and into surrounding states. Coal facilities and transporters work together to haul increased weights on nearly 2,200 miles of West Virginia's roads designated by the DOH as CRTS routes. Coal haulers may purchase a permit that will allow for a gross vehicle weight of up to 120,000 pounds, depending on the truck configuration and the specific routes on which the truck will be operating. Coal operations and transporters operating on designated CRTS roads must adhere to additional reporting and permitting statutes and regulations, and are subject to sanctions by the Commission. The CRTS program generated $2.3 million in 2022 for improvements and repairs to CRTS roads and bridges.

Notices of Violation (NOV) are initiated through audits conducted by CRTS inspectors and supervisors or by uniform traffic citations issued by Transportation Officers. In 2022, the Commission issued 389 NOVs and collected $312,482 for CRTS violations.

During the 2022 permitting period, the CRTS permitting unit registered 172 transport companies from five states and issued 1,208 permits. The CRTS reporting unit had 154 mines, plants, load outs and other coal facilities registered and reporting coal shipments to the Commission. Daily electronic files were submitted to the Commission containing unique tracking information for approximately 1.9 million transactions, representing over 964,000 loads, or approximately 36.7 million tons of coal being transported over CRTS roads. Each electronic transaction contains the origin, destination, date, time, weight, permit ID and a unique transaction number for that specific shipment of coal. Records are forwarded to the CRTS auditing program and are reviewed by Staff to detect non-compliance. Staff also conducted hundreds of onsite inspections and audits and initiated administrative violations to non-compliant companies.

Complaints about coal trucks operating on the CRTS highways can be made through the Commission's 1-866-SEE-TRUX hotline. In 2022, CRTS officers received and processed 37 complaints from the CRTS hotline. Complaints ranged from speeding and overweight trucks to impaired drivers.

The Drug and Alcohol Clearinghouse

Congress directed the U.S. Secretary of Transportation to establish the Drug and Alcohol Clearinghouse, a secure online database that gives employers, FMCSA, state driver licensing agencies (SDLAs) and state law enforcement real-time information about drug and alcohol violations on Commercial Driver's License (CDL) holders.

Starting November 18, 2024, SDLAs must ask the Clearinghouse before issuing, renewing, upgrading, or transferring CDLs and Commercial Learners Permits (CLP), and must review a driver's information when notified by the Clearinghouse of a status change. SDLAs will be required to remove the CDL or CLP privilege from the driver's license of an individual subject to CMV driving prohibition, which would result in a downgrade of the license until the driver complies with the return-to-duty requirements.

The Clearinghouse affects all CDL drivers who operate CMVs on public roads and their employers and service agents including interstate and intrastate motor carriers, passenger carriers, school bus drivers, construction equipment operators, limousine drivers, municipal vehicle drivers (i.e.: trash haulers) and organizations that employ drivers subject to FMCSA drug and alcohol use testing regulations (i.e.: Department of Defense, municipalities and school districts).

The Clearinghouse will make the nation's highways safer in several ways. It makes it easier for employers to meet their pre-employment investigation and reporting obligations. Employers now have a way to verify if current drivers or potential drivers with previous violations have taken the proper steps necessary to lawfully resume driving. It makes it more difficult for drivers to conceal their drug and alcohol program violations from current or prospective employers and it provides roadside inspectors and other enforcement personnel with the means to ensure drivers receive required evaluation and treatment before performing safety-sensitive functions, such as driving a CMV.

Registration for the Clearinghouse began in September 2019. Commercial driver's license holders, employers, consortia/third-party administrators, medical review officers and substance abuse professionals must register within the Clearinghouse. In some cases, a single user may have multiple roles within the Clearinghouse.

Railroad Safety

The Railroad Safety Section consists of one manager and nine inspectors. These inspectors are fully certified by the Federal Railroad Administration.

The Commission has an online portal on its website through which individuals can report trains that are illegally blocking one of the nearly 8,000 public highway rail crossings in West Virginia. The Railroad Safety Section responded to 16 reports in 2022. To report a blocked crossing, citizens must report the date, time, how long the crossing was blocked, the location and the USDOT number of the crossing.

The Commission's Railroad Safety Section participated in the 2022 National Rail Safety Week to raise awareness of the potential hazards of driving near railroad rights-of-way and highway-rail grade crossings. The 2022 events were conducted at two highway-rail grade crossings in Ceredo and Kenova with Norfolk Southern and CSX Transportation. The Railroad Safety Section also participated in the West Virginia State Fair (where it received an award for the "Most Unique Display") and the West Virginia Pumpkin Festival. It also participated in eight classroom presentations with elementary school children and school bus drivers.

During 2022, Railroad Safety Inspectors conducted 922 inspections, inspected 1,917 miles of track (including 234 miles on foot), citing 684 defective track conditions. They inspected 451 highway-rail grade crossings and 26,770 rail cars and locomotives, citing 1,435 defects. The Commission maintains a comprehensive Hazardous Materials Inspection Program that conducted 48 inspections and cited 22 defective conditions and one violation in 2022. A rigorous inspection program, coupled with the fact that most of the Commission's Railroad Safety Inspectors are also Operation Lifesaver volunteers, has made West Virginia's railroads among the safest in the nation.

Motor Carriers

Kanawha County Commission v. Waste Management of West Virginia

Following many verbal and written complaints regarding inadequate service received by Commission Staff and the Kanawha County Commission, the Commission granted a petition by the Kanawha County Commission for a General Investigation into the practices, procedures and overall operations of Waste Management of West Virginia, Inc. (Case No. 22-0749-MC-P). During its investigation, Staff found that Waste Management was experiencing a shortage of drivers and throwers. Waste Management agreed to address its service issues by investing in its operations, hiring more employees, increasing wages by approximately 20% and making major equipment purchases such as new compactor trucks.

By November, Waste Management was providing service to its customers on a weekly basis, as required by the Commission's Motor Carrier Rules. This case is pending before the Commission.

Wyoming County Commission v. Morgan Sanitation and Recycling Corp.

The Commission granted a petition by the Wyoming County Commission for a General Investigation into the practices, procedures and overall operations of Morgan Sanitation & Recycling Corp. (Case No. 22-0722-MC-GI). This investigation was requested after numerous verbal and written complaints regarding inadequate service were received by Commission Staff and the Wyoming and McDowell County Commissions.

This case is pending before the Commission.

Consumer Price Index Rate Increases

The West Virginia Legislature passed legislation in 2020 to allow solid waste common carriers to annually increase rates beginning January 1, 2021, by giving notice to the Commission and its customers at least 30 days prior to January 1 of each year, with the rates to be effective on January 1. The rate increase is based on the previous year's increase in the Garbage and Trash Collection Consumer Price Index (CPI) published by the U.S. Bureau of Labor and Statistics. The Commission found that the rate increase for 2023 would be 5.344%. A solid waste common carrier may avail itself of the CPI for four years, but must file a base rate case during the fifth year before it may again utilize the CPI for a rate increase.

The Commission received 37 CPI cases in 2022, all of which are now closed.

Fuel Surcharges

The Commission continues to respond to the volatility of fuel costs for motor carriers by reviewing and adjusting fuel surcharges for regulated motor carriers. This series of surcharges was initiated in MC GO 56.4 in March 2004 following a dramatic increase in fuel prices. The most recent surcharges are based on forecasted fuel prices for January 1, 2023 through June 30, 2023.

The average price for unleaded regular gasoline is forecasted to be $3.45 per gallon and the price of diesel is forecasted to be $4.81 per gallon. This forecast reflects a decrease of $0.67 per gallon for regular grade gasoline and an increase of $0.08 per gallon for diesel fuel over the previously forecasted average prices for July 1, 2022 through December 31, 2022. The Commission approved the following surcharges for use from January 1, 2023 through June 30, 2023, or until further Order of the Commission: 10.51% for haulers of solid waste and/or infectious medical waste, an increase of 0.26% over the current surcharge; 20.61% for transporters of passengers, including but not limited to taxicab and limousine companies, a decrease of 6.69% from the current surcharge; and 10.61% for wrecker companies for towing services with respect to their rates for third-party tows, same as the current surcharge.

Fuel prices are reviewed every six months to see if there is a need for relief for eligible motor carriers. The surcharges are not automatic. Eligible motor carriers may not charge the old surcharge after it has expired and may not implement a new surcharge unless they have filed a Fuel Surcharge Supplement to their tariffs with the Commission Tariff Office.

Staff will continue to monitor fuel prices and the Commission will continue to make adjustments in its semi-annual General Orders. If there is a 20% or greater increase or decrease in the price of regular grade gasoline, diesel fuel or both between the Commission's semi-annual Orders, Staff will file a further memorandum requesting a reopening of the case and recommending adjustments to the fuel surcharges based on that increase or decrease in price.

In response to the huge increase in fuel prices this past spring, the Commission granted an increase to the fuel surcharge on March 28, 2022, in order to allow eligible motor carriers to recover that additional cost. The fuel surcharge was again updated in July as part of the Commission's bi-annual review of fuel prices.

Motor Carrier and Solid Waste Complaint Cases

When contacted by ratepayers, Commission Staff investigates and resolves informal complaints involving motor carriers the Commission regulates. Most of these informal complaints are against solid waste haulers, involving missed trash pickups. Commission Staff also investigates complaints against towing companies, mostly involving the rates and charges the vehicle owners are billed and whether vehicles should have been towed.

If unsatisfied with the results of the informal complaint process, the customer may file a formal complaint with the Commission. In 2022, 99 motor carrier formal complaint cases were filed with the Commission. Of these, 46 cases involved solid waste haulers, 45 involved towing companies and the remaining eight cases involved taxis. Of those filings, 73 cases have received Final Orders and are now closed.

Veterans' Grave Markers

In 2003 the West Virginia Legislature authorized the Public Service Commission to regulate transactions among cemeteries, companies that set and install memorial head markers and veterans or their survivors concerning fees for setting veterans' grave markers.

In July of 2022, the Commission formed a task force to make recommendations regarding fees for the setting of U.S. Department of Veterans Affairs' grave markers and related transactions (Case No. 22-0621-VM-GI). The Commission ordered that the task force include Staff, the West Virginia Cemetery and Funeral Association, the West Virginia Department of Veterans Assistance, cemeteries and any companies that set and install veterans' grave markers. This case is pending before the Commission.

Rulemaking Proceedings

Rules Governing Emergency Telephone Service

Senate Bill 579, the Wireless Enhanced 911 (E-911) Fee, became effective in June 2020. The new law made significant changes to the collection, remission and disbursment of fees collected from in-state, two-way service subscribers. The purpose of SB 579 was to eliminate the FCC's post-audit concern that West Virginia was diverting E-911 fees to non-E-911 uses and, as a result, disqualify the state for additional E-911 grant funding from the FCC.

The Commission issued GO 187.55 to provide commercial mobile radio service (CMRS) providers with guidance on the new law. Beginning July 1, 2020, CMRS providers are required to separately bill for and collect from customers the wireless enhanced 911 fee, wireless tower fee, State Police public safety fee and Division of Homeland Security and Emergency Management public safety fee. CMRS providers must separately remit funds to the Commission for each fee. The Commission provided instruction regarding the distribution of fee revenues to recipients.

The Commission will soon initiate a rulemaking proceeding to revise the Rules Governing Emergency Telephone Service to be consistent with SB 579 and the guidance issued in GO 187.55. The rulemaking also will incorporate compliance requirements applicable to recipients of W.Va. Code §24-6-6b Wireless Tower Access Assistance Fund grants under W. Va. Code §12-4-14.

Rules Governing Trench Sharing

Rules for the Government of Pole Attachments

During the 2021 regular session, the Legislature passed House Bill 2002 enacting a Dig Once Policy and requiring the Commission to resolve disputes between telecommunications carriers. House Bill 2002 also required the Commission to issue rules to govern the transfer of facilities from an old utility pole to a new pole and removal of utility poles that have had electric facilities moved to new poles but continue to have the other facilities attached in the telecommunications space on old poles. The rules include the rights of the pole owner to transfer the facilities to the new pole and remove the old ones. The Commission created a task force to make recommendations for Trench Sharing Rules and Rules for the Government of Pole Attachments (Case No. 21-0532-T-E-CTV-GI). The Commission later closed this proceeding and proposed rules for adjudication of trench sharing disputes (G.O. 264) and for revisions to the Rules for the Government of Pole Attachments (G.O. 261.1).

The Commission received no comments regarding the proposed Trench Sharing Rules and adopted the proposed rules. That case is now closed. The Commission received comments from Frontier West Virginia, Inc. regarding the proposed Rules for the Government of Pole Attachments. The Commission later adopted new rules, closing the case.

Rules Governing Sewer Utilities

Rules Governing Water Utilities

The Commission proposed amendments to its Water and Sewer Rules that would, if adopted, require a utility, at the request of a future customer or developer, to consider and respond to an application for an alternate main extension in lieu of a main extension under Water Rule 7.5 and Sewer Rule 7.4 et seq (Case Nos. G.O. 188.51 and G.O. 186.39). The utility would be required to approve or deny an applicant's request for alternate main extension agreement within 20 days of the applicant's request. Further, if the utility denies an applicant's request for an alternate main extension agreement, the utility would be required to provide the applicant with a written estimate of the cost for the utility to install a main extension within 20 days following that denial. Interested Parties were invited to file initial comments by December 5, 2022, and reply comments by January 2, 2023. This case is pending before the Commission.

Electronic Filing Submissions

By General Order issued September 28, 2022, the Commission created a pilot program on electronic filing submissions. The program is likely to result in future updates to the Commission's Rules of Practice and Procedure.

The Courts

Supreme Court of Appeals of West Virginia

Equitrans L.P. and Big Dog Midstream v. Public Service Commission

Equitrans L.P. and Big Dog Midstream, LLC filed a Writ of Prohibition with the West Virginia Supreme Court of Appeals arguing that the Commission lacked jurisdiction to require Equitrans to obtain prior consent and approval to abandon certain gathering facilities in the state. The Commission previously entered Orders directing Equitrans to continue natural gas access and related services on which field tap customers rely until Equitrans obtained Commission authorization to abandon the service.

The Commission filed a response to the Writ of Prohibition arguing that the Writ was procedurally and substantively defective. Commission jurisdiction over the subject gathering lines is granted by statute and is supported by case law and Commission precedent holding that the owner of the gathering lines has a public service obligation to provide access to natural gas to facilitate field tap service. The Commission filed an affidavit, as well as transcripts and filings made before the Commission or FERC, showing that Equitrans and its predecessor acknowledged having the aforementioned public service obligation.

Hope Gas Inc., Mountaineer Gas Company, CAD, and GO-WV filed responses to the Writ in support of Commission jurisdiction. Diversified Production, LLC/Diversified Midstream LLC filed a response to the Writ in opposition to Commission jurisdiction.

This matter is pending before the Supreme Court.

Equitrans L.P. v. Public Service Commission, Ronald Hall, Ashton Hall, and Hope Gas, Inc.

Equitrans, L.P. appealed a Commission Order in a formal complaint requiring Equitrans to allow a tap on a gas gathering line to facilitate Hope Gas Inc., a public utility, providing natural gas service to rural customers Ronald and Ashton Hall. Equitrans refused to allow the tap on grounds that the Commission lacks authority to require the tap. The issues in this case and the foregoing cases overlap.

The Supreme Court heard oral argument on October 4, 2022, and on November 15, 2022, affirmed the Commission decision.

Mason County Public Service District v. Public Service Commission

Mason County Public Service District appealed a Commission Order prohibiting the District from charging both a reconnection and a disconnection fee when a customer is disconnected due to nonpayment. The District's position was that the Commission lacked jurisdiction to disallow its charging both fees because the District is locally rate regulated. The District also argued that because the issue arose in a customer complaint that did not complain about the disconnection and reconnection fee, and because the complainants failed to appear at a scheduled hearing, the Commission erred by denying the District's motion to dismiss. The Commission ruled that charging two fees is an unreasonable practice and that it has jurisdiction to correct unjust and unreasonable utility practices, notwithstanding the status of the District as a locally rate regulated public utility.

The Court heard oral argument in this case on October 5, 2022, and on November 10, 2022, affirmed the Commission decision.

City of Wheeling v. Public Service Commission

After the City of Wheeling passed a sewer rate ordinance, the Town of Benwood, its wholesale sewage treatment customer, filed a complaint that the rate increase was unfair and discriminatory. The Commission adjudicated the complaint within 120 days of the date that the Commission had before it all the necessary information from Wheeling to evaluate the allegations in the complaint. Wheeling appealed the Commission's Final Order arguing that the Commission exceeded the statutorily allowed number of days before issuing its Final Order and, therefore, lacked jurisdiction to decide the case.

The Court heard oral argument on April 13, 2022 and affirmed the Commission Order on April 26, 2022. Later, however, the Court granted a petition for rehearing filed by the City of Wheeling. The Court will schedule oral argument on rehearing during its January 2023 term.

Informal Complaint Cases

Each year the Commission hears from customers who have issues paying or reconciling a utility bill or are experiencing service problems or various difficulties. These are called informal complaint cases. They are routed to Consumer Affairs Technicians in the Commission's Utilities and Water and Wastewater Divisions. The Commission received over 9,300 informal complaints in 2022.

The Consumer Affairs Technicians help customers negotiate payment plans, resolve communication problems and act as liaisons between utilities and customers to resolve differences. If problems are not resolved, customers may file a formal complaint with the Commission. Formal complaint proceedings are more time consuming and usually require legal representation by the utility and, in some cases, by the customer.

An internal goal of closing at least 90% of all informal complaints within 30 days was set by the Commission to reduce the filing of formal complaints. Difficulties in obtaining information from some smaller cable and phone companies, and challenges of isolating service problems related to electric, telephone and cable complaints, affect overall numbers in this area. A further goal is to resolve 95% of complaints at the informal level, further lessening the need to file formal complaints. Both goals were met in 2022.

Type of Utility	Number of Informal Complaints filed in 2022	Percent of Informal Complaints closed within 30 days	Number that became Formal Complaint Cases	Percent that did not become Formal Complaint Cases
Water	2,724	95.8%	90	96.6%
Electric	2,134	98.1%	54	97.4%
Telephone	2,093	92.9%	18	99.1%
Sewer	1,024	96.5%	31	96.9%
Cable	909	96.6%	7	99.2%
Gas	440	100%	10	97.6%
Totals	**9,324**	**96%**	**210**	**97.7%**

APPENDIX A

Table of Abbreviations

AEP	American Electric Power
ALJ	Administrative Law Judge
APCo	Appalachian Power Company
Bcf/d	Billion Cubic Feet per Day
CAD	Consumer Advocate Division of the Public Service Commission
CAG	Citizens Action Group
CMV	Commercial Motor Vehicle
COP	Coefficient of Performance
CCR	Coal Combustion Residuals
CDL	Commercial Driver's License
CLP	Commercial Learner's Permit
CMRS	Commercial Mobile Radio Service
CPI	Consumer Price Index
CRTS	Coal Resource Transportation System
CVSA	Commercial Vehicle Safety Alliance
DER	Distributed Energy Resources
DOH	West Virginia Division of Highways
DSIC	Distribution System Improvement Charge
dth	Dekatherm
EEWV	Energy Efficient West Virginia
EIA	U.S. Energy Information Administration
ELG	Effluent Limit Guidelines
ENEC	Expanded Net Energy Cost
EPA	U.S. Environmental Protection Agency
EWG	Exempt Wholesale Electric Generating Facility
FCC	Federal Communications Commission
FE	FirstEnergy
FERC	Federal Energy Regulatory Commission
FMCSA	Federal Motor Carrier Safety Administration
GI	General Investigation
GO-WV	Gas and Oil Association of West Virginia
GPS	Gas Pipeline Safety
ICAP	Installed Capacity
IP	Industrial Power
IRP	Integrated Resource Plan
IREP	Infrastructure Replacement and Expansion Plan
KPCo	Kentucky Power Company
KPSC	Kentucky Public Service Commission
kV	Kilovolt
kWh	Kilowatt Hour
LCP	Large Capacity Power
LDC	Local Distribution Company
LNG	Liquefied Natural Gas

MACRUC	Mid-Atlantic Conference of Regulatory Utilities Commissioners
MATS	Mercury and Air Toxic Standards
MDV	Maximum Daily Volume
MEA	Morgantown Energy Associates
MMBtu	Metric Million British Thermal Units
MMDth	Million Dekatherms
Mon Power	Monongahela Power Company
MRBC	Modified Base Rate Cost
MVP	Mountain Valley Pipeline
MW	Megawatt
MWh	Megawatt Hour
NARUC	National Association of Regulatory Utility Commissioners
NGPA	Federal Natural Gas Policy Act of 1978
NOV	Notice of Violation
O&M	Operation and Maintenance
PE	Potomac Edison Power Company
PHMSA	U.S. DOT Pipeline and Hazardous Materials Safety Administration
PMJ	Pennsylvania, Maryland, Jersey Power Pool (RTO)
PPA	Purchased Power Agreement
PSA	Purchase and Sales Agreement
PSAP	Public Safety Answering Points
PSD	Public Service District
RES	Renewable Electricity Surcharge
RPP	Renewable Power Plus
RTO	Regional Transmission Organization
SDLA	State Driver Licensing Agencies
SREC	Solar Renewable Energy Credits
SUN	Solar United Neighborhoods
SWVA	Steel of West Virginia
Tcf	Trillion Cubic Feet
UCAP	Unforced Capacity
VCS	Voluntary Curtailment Service
VMP	Vegetation Management Program
VRER	Voluntary Renewable Electricity Rider
VSCC	Virginia State Corporation Commission
W	Watt
WPCo	Wheeling Power Company
WTAAF	Wireless Tower Access Assistance Fund
WVAW	West Virginia American Water Company
WVCA	West Virginia Coal Association
WVEUG	West Virginia Energy Users Group
WVDEP	West Virginia Department of Environmental Protection
WVIJDC	West Virginia Infrastructure and Jobs Development Council
WVS	West Virginia Solar
WVSP	West Virginia State Police

APPENDIX B

PSC Organization and Functions

The Public Service Commission is supported in its work by a staff of 225 employees, including many professionals, such as lawyers, engineers, economists and accountants. The Commission is comprised of 13 Divisions and the Consumer Advocate Division. CAD is physically separate and financially independent of the Commission and acts as an independent Party representing residential customers in Commission proceedings.

The Commission regulates rates, charges, acts and practices of persons, firms and governmental subdivisions that provide public utility services, including electricity, natural gas, water, sewer, telephone landlines, solid waste disposal (landfills), gas pipeline safety and, to some extent, the transportation of persons and property for hire over public highways. The Commission sets statewide policies for utility regulation through rulemaking proceedings, investigates acts and practices of regulated utilities, recommends statutory changes that affect utilities and the Commission and sets administrative policies for the agency. Motor carriers regulated by the Commission include taxis, most limousines, solid waste transportation services and third-party towing.

The Office of the Commission includes the Commissioners, the Communications and Quality Assurance Divisions, the Federal and Regional Regulatory Policy Advisor, facilities management staff and support personnel.

Administration Division

The Administration Division is comprised of four sections.

The Budget and Finance Section prepares Commission budgets; provides fiscal review and control; processes and monitors travel expenses, payables and receivables; oversees all procurement activities and ensures fixed assets are properly recorded and funded through assessment of public utilities or from grants and other programs. This Section is responsible for managing the Commission's annually appropriated special revenue budget, federal funds and non-appropriated special revenue funds. It also collects and distributes E-911 fees.

The Human Resources Section oversees employee hiring and separations, administers employee benefit programs, state grievance procedures and other personnel-related activities. This section processes payroll, taxes and benefit transactions for Commission employees.

The Information Technology Section manages the Commission's technical assets. It oversees the Commission's computer system and service desk needs in conjunction with the State Office of Technology by providing programming, database and web design, training, support and other technical assistance. It also oversees webcasts of Commission hearings in Charleston.

The Training Section coordinates and provides education and training for Commission employees and maintains training records for the agency.

Administrative Law Judges Division

The ALJ Division consists of attorneys and support staff who act in an adjudicatory role under the auspices of the Commission. ALJs issue Recommended Decisions within time periods prescribed by the Commission or set by statute in cases referred to the Division by the Commission. A Recommended Decision becomes the Commission's Final Order unless modified or suspended by the Commission based on exceptions filed by one of the Parties or is suspended on Commission authority.

The ALJ Division reviews cases involving public utilities, motor carriers, cable television and coal hauling on CRTS roads. ALJs hold hearings and issue Recommended Decisions in cases involving quality of service or other complaints from consumers about utilities or motor carriers, rate change requests, applications for certificates of convenience and necessity to construct new or expand existing utility plants and petitions for numerous utility transactions regulated by the Commission. ALJs are bound by rules regarding *ex parte* contact with Parties in proceedings before the Commission.

Engineering Division

The Engineering Division, which is considered part of Commission Staff in formal cases, provides technical recommendations in matters before the Commission relating to rate requests, quality of service or billing disputes, engineering agreements, alternate main line extensions, certificates of convenience and necessity, mergers and acquisitions of utilities, service territory disputes, general investigations of utility operations and other cases requiring engineering expertise.

Engineering Staff provide technical assistance to customers and utility companies, supervise and certify utility meter tests, conduct water pressure tests, investigate voltage levels and other electrical complaints, investigate water taste and odor problems, investigate odor and other problems for sewer utilities, provide leak detection services, review utility construction estimates and undertake other technical tasks and studies as ordered by the Commission.

The Engineering Division provides recommendations to the Commission and the WVIJDC on the merits of proposed water and sewer projects, technical comments and assistance on proposed rules and regulations, information and assistance to governmental entities across the state and technical training for public service district board members and staff. The Division also assists in the preparation of the annual *Electric and Natural Gas Utilities Supply-Demand Forecasts*.

Executive Secretary Division

The Executive Secretary Division is the public face of the Commission and maintains a record of all proceedings, acts, Orders and judgments of the Commission. It ensures documents and pleadings in cases are available to the public in a timely fashion on the Commission website: www.psc.state.wv.us. The Division receives, processes and maintains all documents, maps and papers filed in formal cases on the Commission's docket; processes all Orders; and schedules hearings for the Commission and the ALJ Division.

The Executive Secretary Division maintains all records required for the Commission, including annual reports from utilities, reviews utility reports for accuracy and compliance, processes all Freedom of Information Act requests, receives and processes all formal complaints filed with the Commission, issues tariffs for rate cases and issues subpoenas at the direction of the Commission.

The Executive Secretary maintains and updates the Commission's Web Docket, provides copies of all Orders, filings and case documents maintained by the Executive Secretary Division, all of which are available free online. This database lists each case on the formal docket and contains PDF files of every non-confidential document filed in each case. Documents filed in formal cases are docketed and scanned throughout the day and can be accessed within one hour of being received and linked to the Commission's website. The Executive Secretary Division processes all electronic case subscriptions through the Commission website, allowing individuals to track progress in cases and receive daily update of all activities in any docketed case. Public hearing schedules and logistical information dealing with cases are also available online.

Gas Pipeline Safety Division

The Gas Pipeline Safety Division is responsible for the application, oversight and enforcement of pipeline safety regulations under W.Va. Code §24B, which is certified annually under 49 USC §60105 by the USDOT, PHMSA, Office of Pipeline Safety. The GPS Division oversees safety compliance for 90 regulated pipeline operators who operate more than 14,000 miles of intrastate natural gas and hazardous liquid transmission and regulated gathering pipelines and natural gas distribution pipelines. Its inspectors are certified to inspect interstate transmission pipelines as agents for, and at the request of, PHMSA.

It also maintains a multiyear master plan for scheduling inspections. Inspectors perform regularly scheduled (approximately every 18-24 months) inspections of all operators of intrastate natural gas and hazardous liquid transmission and regulated gathering pipelines, natural gas distribution pipelines and master meter systems to ensure compliance with federal and state regulations.

The GPS Division may conduct additional inspections based on complaints from the public, reports from other state agencies or as a follow up to previous inspections. Inspectors may lead or assist with accident investigations to determine the cause of an accident and to evaluate adherence to regulations. Unsatisfactory inspection findings may result in a variety of enforcement actions to ensure compliance with pipeline safety regulations.

Pipeline operators are required to meet specific reporting requirements for events that occur on their pipeline facilities. The GPS Division operates a 24-hour emergency phone line to facilitate operators' notification of these events.

Office of the General Counsel

The Commission's General Counsel acts as the chief legal advisor to the Commission on cases, policies and other issues facing the Commission. It represents the Commission in outside litigation and in state and federal court and agency proceedings, such as the U.S. District and Circuit Courts, FERC and the FCC.

The Office of the General Counsel includes law clerks, an employment attorney and support personnel. Law clerks research regulatory matters; prepare summaries of facts and issues in Commission deliberations and hearings; and draft Orders that are reviewed, revised and approved by the Commission. The General Counsel and law clerks are bound by rules regarding *ex parte* contact with Parties in proceedings before the Commission. The employment attorney assists in the development of policy, tracks court opinions in human resources and employment law and researches and handles grievances and other employment issues.

Legal Division

The Legal Division provides legal assistance to the other Divisions and represents the Staff of the Commission in proceedings before the Commission and ALJs. Commission Staff is a Party to Commission proceedings. The Legal Division works with the technical and financial analysts to review the positions of all Parties in proceedings before the Commission and represents the Staff, not individual complainants, before the Commission.

The Legal Division, in coordination with the General Counsel, represents the Commission before state and federal courts and before other state and federal agencies, including the WVIJDC, FERC and the FCC. The Legal Division assists in defending Commission Orders appealed to the Supreme Court of West Virginia and develops responses to utility customers and utility company inquiries. The Legal Division is bound by rules regarding *ex parte* contact with the Commission, the Commission's immediate staff and ALJs.

Transportation Division

The Transportation Division consists of seven operating sections.

The Safety Enforcement Section performs safety inspections of motor vehicles operated by interstate and intrastate motor and private carriers, commercial motor vehicles and drivers. Officers enforce compliance with U.S. Department of Transportation safety criteria adopted by the Commission.

The Special Operations Section, in conjunction with the Federal Motor Carrier Safety Administration, conducts safety audits on newly established motor carriers involved in interstate commerce and compliance reviews on interstate and intrastate motor carriers with lower than average safety ratings. It monitors intrastate taxi carriers, but not Uber or Lyft, which are transportation network companies monitored by the West Virginia Division of Motor Vehicles.

The Motor Carrier Section conducts registration of intrastate and interstate motor carriers and collects intrastate and interstate assessments, registration fees, filing fees, insurance fees and hazardous materials assessments. The revenue goes to fund motor carrier safety enforcement programs.

The Hazardous Material Registration Section is responsible for registration of hazardous materials being transported and for a multi-state project providing identification, registration and permitting of commercial motor vehicles carrying these materials in West Virginia.

The Coal Resource Transportation System (CRTS) Section is responsible for permitting vehicles on designated roads in 19 counties, imposing reporting requirements for coal shippers and receivers, imposing administrative sanctions for violations and collecting the five-cents-per-ton fee for shipments of coal in excess of 88,000 pounds on CRTS roads.

The Railroad Safety Section is responsible for the administration and enforcement of federal and state regulations governing the transportation of persons and property by rail.

The Logistics Section is responsible for commercial vehicle enforcement on the West Virginia

Turnpike, the scheduling of special patrols in high accident areas and the procurement and inventory of all supplies and equipment to support the Transportation Division.

Utilities Division

The Utilities Division consists of accountants, auditors, financial analysts, economists and support personnel. It provides accounting, auditing, financial, economic and other technical assistance and analysis in Commission cases and processes. The Division is considered part of Commission Staff in formal cases and participates in rate and other filings made by electric, natural gas, landline telephone, water and wastewater utilities, solid waste carriers, taxis, most limousine services, tow operators and commercial solid waste facilities.

The Division is responsible for reviewing and making recommendations to the Commission about customer complaints filed against natural gas, electric, landline telephone, water and wastewater utilities, regulated motor carriers and commercial solid waste facilities. It also provides assistance with regulated utility services and assists customers with quality of service complaints related to cable television. The Division maintains a comparative database of motor carrier costs and rates and conducts financial and management audits of motor carriers.

Water and Wastewater Division

The Water and Wastewater Division gives technical support, operations, financial analysis, accounting, ratemaking, Commission rules and policies and other regulatory matters to political subdivisions that operate a water or sewer utility. It also provides assistance with Commission rules and policies to private utilities. It provides training seminars on topics including safety, regulatory and legal requirements, project financing, personnel issues, terminations, customer service and basic accounting. The Division makes field visits and, in collaboration with WVDEP and the Bureau for Risk and Insurance Management, publishes *The Pipeline*, a quarterly newsletter, available on the Commission's website.

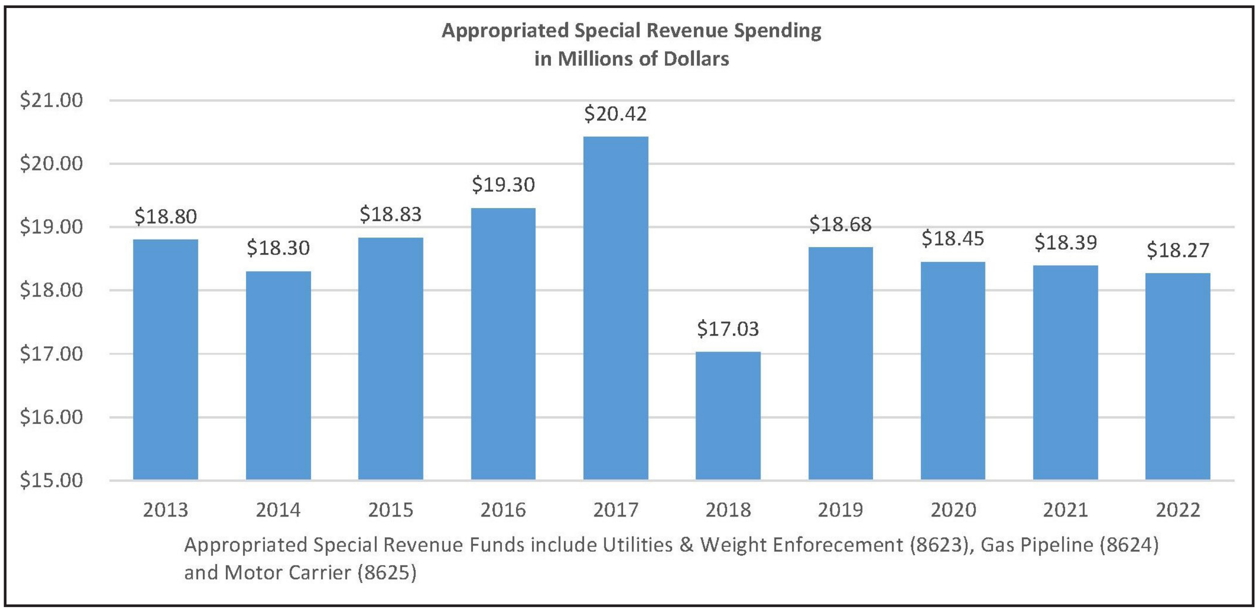
The Division conducts financial reviews of preliminary WVIJDC applications. It also reviews annual reports filed by water and wastewater utilities for quality and accuracy.

APPENDIX C

Budget & Human Resources

The Commission is committed to being a prudent steward of its funds and actively pursues and implements savings initiatives.

With the exception of 2015-2017, when the Commission's headquarters underwent major structural repairs, the Commission's spending of the state-appropriated special revenue funds has been relatively flat for the last 15 years. The Commission's 2022 appropriated special revenue fund spending was down from 2021 and, except for one year, is at its lowest level in a decade.



Administration Division staff utilizes the wvOASIS and Ultimate Kronos Group systems for budgeting, financial and personnel transactions, recordkeeping, timekeeping and payroll processing.

By supporting Staff's professional development, the Administration Division fosters employees who are skilled at continuously reviewing processes and contracts and monitoring tasks that affect procurement activities. These accomplished professionals identify savings opportunities for the Commission.

APPENDIX D

Comparison of Change in West Virginia Residential Utility Rates

The following charts present a summary of the change in the rates paid by residential utility customers for electricity, natural gas and water in West Virginia over the past 10 years. The rate of change in the utility residential rates is compared to the rate of inflation as measured by the Consumer Price Index (CPI) for the same period of time.

The first chart shows the average rates of selected utilities by industry serving the majority of customers in West Virginia. The calculated rates of change on a compounded annual basis are presented by measure of utility service, *i.e.*: per kWh for electricity, per Mcf for natural gas service and per 1,000 gallons of water. The electric rate is the unweighted average residential rates for APCo, WPCo, Mon Power and PE, which collectively serve over 95% of the state's population. The natural gas rate is the average unweighted residential rates for Mountaineer Gas and Hope Gas, which together serve approximately 90% of the natural gas customers in the state. Water rates are the unweighted residential rates for customers in nine of the largest cities in West Virginia.

The second chart shows the change in residential bills reflecting representational usage levels for residential customers. The averages shown represent the bills for a residential customer of the various utilities at the tariff rates in effect on January 1 of each of the years 2013 through 2022, and reflect monthly usage at 1,000 kWh of electricity, 13 Mcf of natural gas and 4,500 gallons of water.

On average, the rates for electricity, gas and water have increased at a slower rate than the rate of inflation for the past 10 years at 2.6% for electric, 2.3% for gas and 3.1% for water.

Comparison of Change in WV Residential Utility Rates to Change in the CPI

	Average Rate (1)		Total Increase/ Decrease	Compound Annual Growth Rate
	1/1/2013	1/1/2022		
Electricity - Per kWh	$0.1007	$0.13	29.1%	2.6%
Gas - Per Mcf	$8.52	$10.70	25.6%	2.3%
Water - Per 1,000 Gals.	$8.13	$11.08	36.3%	3.1%
Composite CPI (2)	$230.28	$281.15	22.1%	2.0%

1. The rate data is an unweighted average of the monthly bills of the selected utilities and usage levels reflected on "Electric, Gas, and Water Rate Comparisons."
2. U.S. Department of Labor, Consumer Price Index for All Urban Customers, CPI-U, 1982-84 = 100

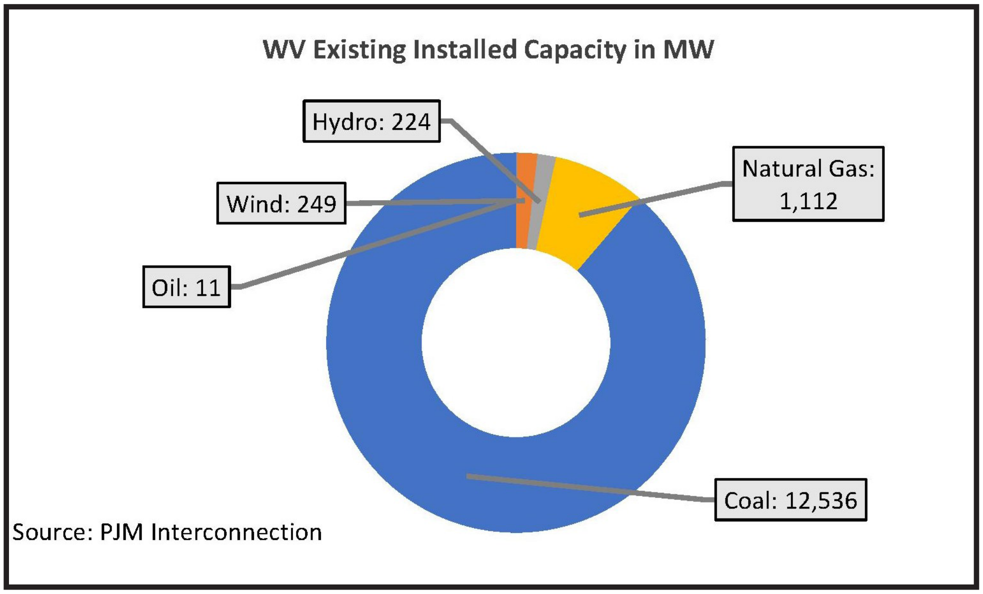
Comparison of Growth in West Virginia Residential Utility Rate to Changes in the Consumer Price Index (CPI)

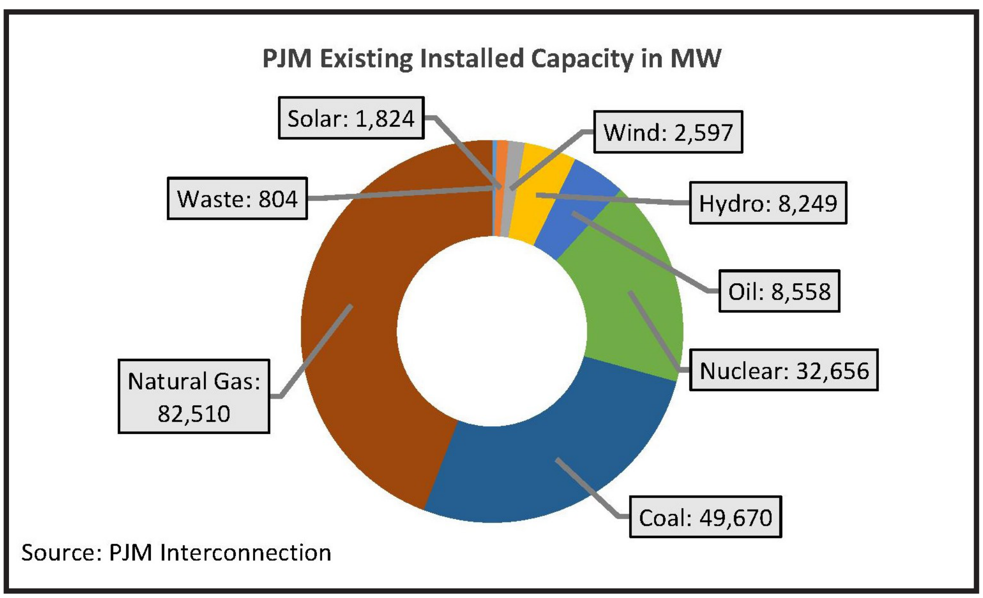
	1/1/13	1/1/14	1/1/15	1/1/16	1/1/17	1/1/18	1/1/19	1/1/20	1/1/21	1/1/22	Compound Annual Change 2012-2022
Electric											
Appalachian Power	$96.75	$93.99	$93.99	$109.82	$120.93	$120.93	$115.04	$128.21	$138.57	$153.71	4.74%
Wheeling Power	$96.75	$93.99	$93.99	$109.82	$120.93	$120.93	$115.04	$128.21	$138.57	$153.71	4.74%
Monongahela Power	$94.31	$93.71	$92.62	$109.54	$112.02	$110.53	$105.83	$106.45	$104.52	$106.23	1.20%
Potomac Edison	$94.31	$93.71	$92.62	$109.54	$112.02	$110.53	$105.83	$106.45	$104.52	$106.23	1.20%
Natural Gas											
Mountaineer Gas	$113.13	$118.29	$131.22	$117.29	$111.76	$120.73	$119.00	$119.68	$121.28	$143.59	2.41%
Hope Gas	$125.50	$121.17	$114.86	$87.82	$91.50	$110.18	$118.88	$107.75	$107.13	$129.93	0.35%
Water											
Beckley	$33.35	$33.35	$33.35	$36.85	$36.85	$36.85	$39.62	$39.62	$39.62	$39.62	1.74%
Charleston	$50.50	$54.07	$54.07	$54.07	$62.96	$64.24	$64.24	$75.14	$78.11	$78.11	4.46%
Clarksburg	$33.71	$34.79	$34.79	$34.79	$34.79	$34.79	$34.79	$34.79	$34.79	$34.79	0.32%
Huntington	$50.50	$54.07	$54.07	$54.07	$62.96	$64.24	$64.24	$75.14	$78.11	$78.11	4.46%
Martinsburg	$28.33	$34.00	$34.00	$34.00	$34.00	$34.00	$34.00	$34.00	$45.24	$45.24	4.79%
Montgomery	$50.50	$54.07	$54.07	$54.07	$62.96	$64.24	$64.24	$75.14	$78.11	$78.11	4.46%
Morgantown	$17.42	$17.42	$17.42	$17.42	$23.18	$23.18	$23.18	$23.18	$23.18	$26.19	4.16%
Parkersburg	$34.98	$34.98	$34.98	$34.98	$34.98	$34.98	$34.98	$34.98	$34.98	$34.98	0.00%
Wheeling	$19.44	$29.98	$29.98	$29.98	$29.98	$29.98	$29.98	$29.98	$29.98	$33.57	5.61%

APPENDIX E

Electric Generating Capacity in West Virginia and PJM by Fuel Source

The following charts illustrate the existing installed electric generating capacity by fuel source in West Virginia and within PJM as of December 31, 2021. PJM is a regional transmission organization that coordinates the movement of wholesale electricity in all or parts of 13 states and the District of Columbia, including all of West Virginia. Coal represents approximately 88.7% of the total installed capacity in the West Virginia service territory, while natural gas represents approximately 7.9%. Across PJM, natural gas and coal account for 44.2% and 26.6%, respectively, of the total installed capacity.





APPENDIX F

State by State Electric and Gas Rate Comparisons

State-by-state average electric and gas rates are shown in the following tables. For ease of comparison, we have highlighted West Virginia and neighboring states. To compare electric rates we use an average of electric rates by state over the 12-month period ending August 2022, as reported by the Energy Information Administration (EIA). Average annual electric, natural gas, propane and fuel oil prices for all states are compiled from information taken from EIA databases.

Residential Electric Rates

West Virginia average residential electric rates remain slightly below the median level compared to all states and the District of Columbia. Our residential rates ranked 23rd lowest in the country. Compared to neighboring states, West Virginia residential rates were higher than Kentucky and Virginia and lower than Ohio, Maryland and Pennsylvania.

Table 1: U.S. Average Residential Electric Rates 9/2021 - 8/2022
U.S. Average 15.2¢ per kWh

Rank	State	Rate per kWh	% of U.S. Avg.	Rank	State	Rate per kWh	% of U.S. Avg.	Rank	State	Rate per kWh	% of U.S. Avg.
1	Washington	10.2¢	67%	18	Virginia	12.8¢	84%	35	Maryland	14.1¢	93%
2	Idaho	10.4¢	68%	19	Arizona	12.8¢	85%	36	Indiana	14.4¢	95%
3	Utah	10.7¢	71%	20	Texas	12.9¢	85%	37	Illinois	14.8¢	97%
4	Nebraska	11¢	72%	21	Nevada	13¢	86%	38	Pennsylvania	15¢	99%
5	N. Dakota	11.2¢	74%	22	Iowa	13¢	86%	39	Wisconsin	15.3¢	101%
6	Wyoming	11.2¢	74%	23	West Virginia	13.1¢	86%	40	New Jersey	16.6¢	109%
7	Montana	11.3¢	74%	24	Delaware	13.2¢	87%	41	Michigan	17.6¢	116%
8	Oregon	11.4¢	75%	25	Florida	13.3¢	87%	42	Vermont	20¢	132%
9	Arkansas	11.6¢	76%	26	Ohio	13.5¢	89%	43	New York	20.9¢	138%
10	N. Carolina	11.8¢	78%	27	Georgia	13.5¢	89%	44	Maine	21.2¢	139%
11	Tennessee	11.9¢	79%	28	Kansas	13.6¢	89%	45	New Hampshire	22.4¢	147%
12	Missouri	12¢	79%	29	Alabama	13.7¢	90%	46	Rhode Island	22.6¢	149%
13	Louisiana	12¢	79%	30	D.C.	13.7¢	90%	47	Alaska	23.1¢	152%
14	Oklahoma	12.1¢	80%	31	S. Carolina	13.8¢	91%	48	Connecticut	24.1¢	159%
15	S. Dakota	12.3¢	81%	32	New Mexico	13.8¢	91%	49	Massachusetts	24.5¢	161%
16	Mississippi	12.3¢	81%	33	Colorado	13.9¢	92%	50	Califonia	25.3¢	166%
17	Kentucky	12.5¢	82%	34	Minnesota	14¢	92%	51	Hawaii	39.4¢	259%

Commercial Rates

West Virginia average commercial electric rates were slightly below the median level compared to all states and the District of Columbia. Our commercial rates ranked 15th lowest in the country. Compared to neighboring states, West Virginia commercial rates were higher than Virginia and lower than Ohio, Maryland, Pennsylvania and Kentucky.

Table 2: U.S. Average Commercial Electric Rates 9/2021 - 8/2022
U.S. Average is 12.4¢ per kWh

Rank	State	Rate ¢ per kWh	% of U.S. Avg.	Rank	State	Rate ¢ per kWh	% of U.S. Avg.
1	Idaho	8.1¢	66%	27	Kansas	11.2¢	90%
2	Utah	8.3¢	67%	28	Colorado	11.2¢	91%
3	Nevada	8.6¢	70%	29	Maryland	11.4¢	92%
4	Texas	8.8¢	71%	30	South Carolina	11.5¢	93%
5	Nebraska	8.9¢	72%	31	Wisconsin	11.5¢	93%
6	North Carolina	8.9¢	72%	32	Kentucky	11.6¢	93%
7	VIrginia	8.9¢	72%	33	Mississippi	11.7¢	94%
8	North Dakota	9.2¢	74%	34	Tennessee	11.7¢	94%
9	Oregon	9.2¢	74%	35	Minnesota	11.9¢	96%
10	Washington	9.5¢	76%	36	Georgia	12.2¢	98%
11	Missouri	9.5¢	77%	37	Michigan	12.4¢	100%
12	Wyoming	9.5¢	77%	38	Indiana	12.4¢	100%
13	Oklahoma	9.8¢	79%	39	Alabama	12.6¢	102%
14	Arkansas	9.8¢	79%	40	New Jersey	13.5¢	109%
15	West Virginia	10.1¢	82%	41	District of Columbia	14.9¢	120%
16	Pennsylvania	10.1¢	82%	42	Maine	15.2¢	123%
17	South Dakota	10.2¢	82%	43	Rhode Island	16¢	129%
18	Ohio	10.3¢	83%	44	Vermont	17.2¢	139%
19	Delaware	10.4¢	84%	45	New Hampshire	17.4¢	140%
20	Iowa	10.4¢	84%	46	New York	17.5¢	141%
21	Montana	10.5¢	84%	47	Connecticut	18.1¢	146%
22	Arizona	10.6¢	85%	48	Massachusetts	18.3¢	148%
23	Florida	10.7¢	86%	49	Alaska	19.8¢	160%
24	New Mexico	10.9¢	88%	50	California	20.6¢	160%
25	Illinois	11.1¢	89%	51	Hawaii	37.1¢	300%
26	Louisiana	11.2¢	90%				

Industrial Rates

West Virginia average industrial electric rates were significantly below the median level compared to all states and the District of Columbia. Our industrial rates ranked 7th lowest in the country. Compared to neighboring states, West Virginia industrial rates were lower than Kentucky, Pennsylvania, Ohio, Virginia, and Maryland.

Table 3: U.S. Average Industrial Electric Rates 9/2021 - 8/2022
U.S. Average is 9.2¢ per kWh

Rank	State	Rate ¢ per kWh	% of U.S. Avg.	Rank	State	Rate ¢ per kWh	% of U.S. Avg.
1	Washington	5.9¢	65%	27	Pennsylvania	7.7¢	84%
2	Oregon	6.3¢	68%	28	District of Columbia	7.8¢	85%
3	Idaho	6.3¢	68%	29	Missouri	7.8¢	85%
4	Montana	6.4¢	69%	30	Kansas	8¢	87%
5	Utah	6.4¢	70%	31	South Dakota	8.1¢	88%
6	Oklahoma	6.5¢	70%	32	Wisconsin	8.3¢	90%
7	West Virginia	6.5¢	70%	33	Indiana	8.4¢	91%
8	Tennessee	6.5¢	71%	34	Colorado	8.5¢	92%
9	New Mexico	6.5¢	71%	35	Georgia	8.5¢	92%
10	North Carolina	6.6¢	72%	36	Illinois	8.5¢	93%
11	Mississippi	6.6¢	72%	37	Michigan	8.6¢	93%
12	Texas	6.8¢	74%	38	Delaware	8.6¢	94%
13	Wyoming	6.8¢	74%	39	Florida	8.8¢	96%
14	Louisiana	6.9¢	76%	40	Minnesota	9.1¢	99%
15	South Carolina	7¢	76%	41	Maryland	9.3¢	101%
16	Arkansas	7¢	76%	42	Maine	11.3¢	122%
17	Iowa	7¢	76%	43	Vermont	11.9¢	130%
18	North Dakota	7¢	77%	44	New Jersey	12¢	131%
19	Nevada	7.1¢	78%	45	Connecticut	14.4¢	156%
20	Nebraska	7.2¢	78%	46	New Hampshire	14.7¢	160%
21	Kentucky	7.2¢	78%	47	California	16.2¢	177%
22	Alabama	7.2¢	78%	48	Massachusetts	17.1¢	186%
23	Arizona	7.3¢	79%	49	Rhode Island	17.2¢	187%
24	New York	7.3¢	80%	50	Alaska	18.4¢	200%
25	Ohio	7.5¢	82%	51	Hawaii	33¢	359%
26	Virginia	7.7¢	83%				

Natural Gas

Natural gas rate comparisons are affected by the rate design of natural gas utilities and the level of monthly usage. Utilities with high fixed monthly customer charges and lower commodity rates will have higher average rates per Mcf in low usage months and lower average rates per Mcf during higher usage months. Conversely, utilities with low fixed monthly customer charges and higher commodity rates will have lower average rates per Mcf in the low usage months and higher average rates per Mcf in the higher usage months.

To normalize the variations caused by temperature differences month by month, we use the average rate per Mcf reported by the EIA. In the winter of 2021/2022, West Virginia residential natural gas rates were below the U.S. mean and median levels at $10.92 per Mcf compared to the U.S. average of $12.60 per Mcf. West Virginia residential rates were 12th lowest in the country, higher than Ohio and lower than Pennsylvania, Kentucky, Virginia, and Maryland.

Table 4: U.S. Average Residential Natural Gas Rates, Winter 2021-2022
U.S. Average is $12.60 per Mcf

Rank	State	Avg. Rate per Mcf	Rank	State	Avg. Rate per Mcf	Rank	State	Avg. Rate per Mcf
1	Idaho	$6.91	18	Tennessee	$11.37	35	D.C.	$14.14
2	Michigan	$9.15	19	Washington	$11.62	36	Maryland	$14.42
3	Montana	$9.52	20	Nebraska	$11.67	37	Georgia	$14.43
4	Utah	$9.78	21	South Dakota	$11.67	38	New York	$14.67
5	North Dakota	$9.78	22	Oregon	$11.71	39	North Carolina	$15.06
6	Ohio	$10.04	23	Kansas	$11.90	40	Arkansas	$15.52
7	Indiana	$10.08	24	Missouri	$11.92	41	Alabama	$15.68
8	Colorado	$10.12	25	Iowa	$12.02	42	Texas	$15.75
9	Wisconsin	$10.21	26	Kentucky	$12.38	43	Arizona	$15.93
10	Nevada	$10.34	27	South Carolina	$12.51	44	Connecticut	$16.02
11	Alaska	$10.38	28	Pennsylvania	$12.56	45	Rhode Island	$16.86
12	West Virginia	$10.92	29	Mississippi	$12.63	46	Maine	$17.46
13	Minnesota	$10.92	30	Oklahoma	$12.77	47	Massachusetts	$18.18
14	New Jersey	$10.93	31	Delaware	$12.97	48	New Hampshire	$18.49
15	Illinois	$11.05	32	Virginia	$13.37	49	California	$18.92
16	New Mexico	$11.08	33	Louisiana	$13.42	50	Florida	$22.58
17	Wyoming	$11.21	34	Vermont	$13.56	51	Hawaii	$50.48

Alternative Fuels Heating Cost Comparisons

The amount of fuel used for heating purposes depends on factors such as type of fuel used, efficiency of equipment and weather conditions. To calculate heating bill comparisons, we use

15.4 metric million British thermal units (MMBtu) of heat output. Usage levels of electricity, fuel oil and natural gas are calculated at a level necessary to produce 15.4 MMBtu of heat output based on the efficiency of the heating equipment.

The efficiency of natural gas and oil furnaces depends on a variety of factors, including the age of the furnace. Older gas furnaces may be as low as 65% efficient in converting fuel heat content into room heat while newer gas furnaces will have efficiency levels between 70% and 90%. Since gas furnaces that are less than 20 years old should have an original efficiency rating in the mid-70% range or higher, we use 75% and 90% efficiency levels for calculating natural gas heating costs. Oil furnaces tend to have lower efficiency than newer gas furnaces, so we use 65% efficiency for a lower-efficiency oil furnace and 85% efficiency for a higher-efficiency oil furnace.

Electric resistance heating is 100% energy efficient in the sense that all the incoming electric energy is converted to heat as it runs through a high resistance heating coil or strip. Heat pumps operate differently, using electricity to compress a “refrigerant” chemical compound and then decompressing the refrigerant. The process can extract heat from inside air and move that heat to the outside (cooling inside air) or, on a reverse setting, it can extract heat from outside air and move it inside (heating inside air). More heat can be delivered to inside air per kWh of electricity used during the heating cycle process than can be gained by simply using the electricity in a resistance coil or heating strip. The efficiency, or coefficient of performance (COP), of heat pumps depends on the age and construction of the heat pump and the ambient operating conditions. Some lower-efficiency heat pumps may struggle to maintain a COP of 2.0 when outside temperatures drop below freezing. When outside temperatures are above freezing, a well-maintained modern heat pump can achieve a COP of 3.0 or higher and a COP level above 2.0 at temperatures well below freezing. Electric heat pump heating costs have been calculated at COPs of 2.0 and 3.0.

To achieve a 15.4 MMBtu level of heat output requires various levels of fuel input, depending on the fuel source and the equipment used, as shown in the following table.

Fuel and Equipment	Fuel Input	Heat Output
75% Efficiency Natural Gas Furnace	20.5 Mcf	15.4 MMBtu
90% Efficiency Natural Gas Furnace	17.1 Mcf	15.4 MMBtu
65% Efficiency No. 2 Fuel Oil Furnace	170.4 Gallons	15.4 MMBtu
85% Efficiency No. 2 Fuel Oil Furnace	130.3 Gallons	15.4 MMBtu
75% Efficiency Propane Furnace	224.4 Gallons	15.4 MMBtu
90% Efficiency Propane Furnace	187.0 Gallons	15.4 MMBtu
Electric Resistance Heating (100% Efficiency)	4,500 kWh	15.4 MMBtu
Electric Heat Pump at 2.0 Coefficient of Performance	2,250 kWh	15.4 MMBtu
Electric Heat Pump at 3.0 Coefficient of Performance	1,500 kWh	15.4 MMBtu

To calculate comparative monthly heating cost, we used the October 2022 cost of propane and heating oil published by the EIA. There is no published propane and heating oil data specific to West Virginia, so we used an average of the EIA data for the Central Atlantic and Lower Atlantic regions, including Maryland, Pennsylvania and Virginia.

Monthly electric bills are calculated using APCo and Mon Power rates that were in effect November 2022. Average electricity cost per kWh will tend to be lower at higher levels of usage because of the effect of fixed charges and declining block rates. This is more noticeable for APCo, which has a declining block rate design that differs from that of Mon Power. Since the electricity rates used for the purposes of this alternative fuel comparison are company-specific and are based on the higher usage levels associated with heating, they differ from the statewide annual average cost of EIA electricity data.

Monthly gas bills are calculated using Hope Dominion and Mountaineer Gas rates that were in effect November 2022.

Alternative Fuel Heating Cost Comparisons Based on 15.4 Million BTU of Heat Output for a Month					
Type of Fuel and Equipment	**Heat Output MMBTU**	**Fuel Units Used**		**Fuel Cost per Unit**	**Total Monthly Cost**
Hope Gas / Dominion WV					
Natural Gas (75% Efficiency)	15.4	20.5	Mcf	$10.03	$205.61
Natural Gas (90% Efficiency)	15.4	17.1	Mcf	$10.17	$173.83
Mountaineer Gas Co.					
Natural Gas (75% Efficiency)	15.4	20.5	Mcf	$10.46	$214.49
Natural Gas (90% Efficiency)	15.4	17.1	Mcf	$10.57	$180.78
Fuel Oil (65% Efficiency)	15.4	170.4	Gallons	$5.25	$894.60
Fuel Oil (85% Efficiency)	15.4	130.3	Gallons	$5.25	$684.08
Propane (75% Efficiency)	15.4	224.4	Gallons	$3.33	$747.25
Propane (90% Efficiency)	15.4	187.0	Gallons	$3.33	$622.71
Appalachian and Wheeling Power Companies (AEP)					
Electric resistance heat	15.4	4,500	kWh	$0.1200	$540.07
Heat Pump (2.0 Coefficient of Performance)	15.4	2,250	kWh	$0.1335	$300.33
Heat Pump (3.0 Coefficient of Performance)	15.4	1,500	kWh	$0.1469	$220.42
Monongahela Power and Potomac Edison (First Energy)					
Electric resistance heat	15.4	4,500	kWh	$0.11126	$500.68
Heat Pump (2.0 Coefficient of Performance)	15.4	2,250	kWh	$0.11237	$252.84
Heat Pump (3.0 Coefficient of Performance)	15.4	1,500	kWh	$0.11348	$170.23

APPENDIX G

Electric Utilities Supply – Demand Forecast 2023 – 2032

Executive Summary

Electric utility supply resources and capacity planning have changed since the creation of Regional Transmission Organizations (RTO) and RTO wide capacity and energy markets. Moreover, because of environmental regulations and economics of generation, older and less-efficient coal-fired generating facilities have been retired; and cancellation of long-standing capacity agreements and inter-utility supply contracts have occurred, contributing to the need for alternative capacity resources.

Because West Virginia electric utilities are operating within the PJM RTO, it is important to understand and use PJM labels regarding generation resource supply, or capacity, and peak demand requirements. This supply/demand report addresses the supply of electric generation capacity necessary to meet peak demands. In that context, "supply" is synonymous with the word "capacity" and "demand" is synonymous with the word "load." The terms are sometimes used interchangeably in this report. Historically, generation resource capacity was stated at its Installed Capacity level, or ICAP. PJM calculates a reliability factor for each generating unit based on the availability of the unit at times of PJM system peaks, and downgrades the ICAP value to an availability level referred to as unforced capacity, or UCAP. PJM also includes a reserve requirement in its representation of peak loads. Thus, PJM peak loads are referred to as "reserve-adjusted loads" or, to match the capacity resource they are measured against, simply as UCAP loads.

Appalachian Power Company and Wheeling Power Company will have marginally adequate capacity for summer requirements. Monongahela Power Company and Potomac Edison will have negative excess reserve margins during the forecast period. The general conclusions reached in this report are:

- APCo/WPCo projected electrical demand will continue to decrease at a modest rate, mainly due to a shrinking residential customer base.
- For Mon Power/PE we expect a modest growth rate in electrical demand, influenced by increased load related to natural gas activity in its operating territory.
- PJM has implemented new capacity performance rules that require enhanced levels of availability of capacity resources and that increase penalties for nonperformance during certain peak load conditions. These rules affect both APCo and Mon Power. A major result of these rules is to reduce the capacity values assigned to solar, hydro,

pumped storage and wind resources.

- As in our 2021 report, we believe that instead of using ICAP to represent utility available capacity, it is appropriate to use the reduced capacity value, referred to as UCAP, assigned annually to each generation unit by PJM.
- Because PJM calculates a capacity requirement based on projected peak loads that includes both diversity and reserves for each utility, it is appropriate to use the same adjusted load approach, referred to as UCAP load, in this report.
- Until recently, the Commission measured reserve margins as a percentage of total ICAP in excess of actual, unadjusted internal peak-load requirements (ICAP load). Using that calculation, when reserve margins dropped below 15-16%, we anticipated an approaching need to acquire new capacity. This is different from the PJM approach to represent load requirements that include reserve requirements and to downgrade generation resources to reflect availability of individual units.

As an example of different reserve margin pictures when reserves are built into the load number, if a utility had a projected peak demand load requirement of 5,200 MW and nameplate rated capacity resources of 6,000 MW of ICAP, we would have historically calculated a reserve of 800 MW, or 15.4%. The 15.4% reserve margin would likely have signaled the need to consider additional capacity resources or load reduction measures.

For PJM power supply purposes, however, the same load is adjusted upward to include a PJM targeted reserve, while the capacity is adjusted downward to a UCAP value that reflects a reduced capacity value based on historical peak availability of individual units.

For example, if PJM targeted a 15.4% reserve margin and assumed that capacity should be valued at 95% of its nameplate rating, it would calculate a reserve-adjusted load of approximately 5,700 MW instead of 5,200 MW, and it would value the capacity at 5,700 MW UCAP instead of 6,000 MW ICAP. Thus, while the 5,200 MW actual load and 6,000 MW ICAP reflect a 15.4% reserve margin, as historically calculated by the Commission, the same load adjusted upward to build in a reserve margin, and the same generation capacity adjusted downward to UCAP, would result in a calculated reserve of zero for PJM power supply purposes.

Thus, while historically a reserve margin of around 15-16% was considered a target where new generation was needed to meet reliability standards, using the PJM methods of representing capacity requirements a reserve margin of 0% is the target where new generation is needed. A comparison of the two methods of representing reserves is shown in the following table.

Historical Calculation Based on Metered Load and Nameplate Generator Capacity		
Peak Load	(A)	5,200 MW
Installed Capacity (ICAP)	(B)	6,000 MW
Reserves	(C) = (B) - (A)	800 MW
Reserve Percentage	(C)/(A)	15.4%

PJM Calculation Based on Load Adjusted to Include Reserve Requirements and Availability-Adjusted UCAP Generator Capacity	
Peak Load Plus Reserves	5,700 MW
PJM Assigned UCAP	5,700 MW
Reserves	- MW
Reserve Percentage	0.0%

- We have adopted the PJM approach to represent reserve margins. Using this approach, reserves are already built into UCAP load, and generating capacity is reduced from the ICAP level to the PJM UCAP level. Therefore, lower reserve margins than those historically presented in the annual Electric Utilities Supply-Demand Forecast are expected. For reliability, UCAP capacity over UCAP load of 15-16% is no longer indicative of a need to plan new capacity resources.
- Both APCo and Mon Power face declining reserve margins above their PJM UCAP.
- As these margins drop below zero, additional capacity resources will be required.

General Discussion

Under provisions of W. Va. Code § 24-1-1(d)(3), the Commission is required to report to the Legislature annually on the 10-year supply-and-demand balance for electric utilities in West Virginia. Commission Staff conducts an annual examination of long-term demand forecasts and resource plans of the major electric utilities in West Virginia. Staff evaluates plans and underlying assumptions and reasonableness of forecasts when preparing the annual Electric Utilities Supply-Demand Forecast. In addition, Staff compares actual experience to prior projections and trends in demand to prepare its own independent forecast, which may deviate from utility projections. These Staff-adjusted forecasts are reflected in this report.

The four largest regulated electric utilities in West Virginia are APCo, WPCo, Mon Power and PE. APCo/WPCo are affiliate companies of American Electric Power (AEP). Mon Power and PE are affiliate companies of FirstEnergy (FE). These four electric utilities account for approximately 96% of West Virginia residential sales and 98% of West Virginia commercial and industrial sales. APCo, WPCo and Mon Power are regulated electric transmission and distribution utilities that also own generation facilities. PE is a distribution and transmission utility in West Virginia, but owns no generation facilities.

For purposes of this report, APCo/WPCo data are combined, providing the supply and demand forecast as a single entity based on their combined supply resources and projected demand. Since APCo serves significant load in Virginia and must plan to meet both its West Virginia and Virginia customers' requirements, we project APCo requirements and resources on a total company basis. Reference to APCo includes the total company supply resources and load of APCo, including Virginia data, plus the total company supply resources and load of WPCo, which operates only in West Virginia.

Mon Power and PE West Virginia operations data is similarly combined. Reference to Mon Power includes supply resources and load of Mon Power, which operates only in West Virginia, plus the load of PE West Virginia operations.

Five independent non-generation electric utilities in West Virginia also operate distribution systems providing power to local residential, commercial and industrial customers at retail rates. Those utilities are:

- Harrison Rural Electrification Association, Inc.
- Black Diamond Power Company
- Craig-Botetourt Electric Cooperative
- The City of New Martinsville
- The City of Philippi

Those companies purchase their power requirements from various generators operating in the region served by PJM. Historically, they have relied on medium- to long-term contracts with wholesale providers, but can purchase available energy and capacity in the PJM markets when planning power supply requirements.

The PJM organization manages both the bulk-power transmission system and competitive capacity and energy markets within its footprint of 13 states plus the District of Columbia. The PJM capacity and energy markets have become the major source of power supply for many customers and load-serving entities in the PJM Region.

AEP and FE companies prepare an Integrated Resource Plan (IRP). An IRP considers supply options to economically meet future net demand requirements. The IRP includes projected equipment upgrades, re-rating of plants, retirement of internal generation resources, additional internal generation resources, demand-side resources and purchased capacity. An IRP also considers possible future demand impacts of energy-saving technologies and equipment installed by customers that control or reduce demand. Staff reviews this information and its own independent projections to compare capacity to projected loads.

This report is not an IRP. It does project demand requirements over a 10-year time frame, but does not project or analyze optional supply additions that might be considered to meet any supply shortfalls. It does, however, reflect specifically planned future supply changes such as generation upgrading, downgrading, re-rating or retirement and supply contract additions or cancellations.

Summer versus Winter Peaks

PJM incurs its peak capacity requirements in the summer and plans its capacity resources accordingly. APCo and Mon Power are required to acquire enough capacity to meet their load obligation based on the PJM summer peak, even though their individual internal peak demands occur during the winter. Because of the requirement to have enough capacity to meet their summer peak loads and because of the availability of energy from the PJM market to meet their expected higher winter loads, the Commission now evaluates the APCo and Mon Power supply and demand during the summer months.

For the forecast period of summer 2023 through 2032:

1. We expect the combined APCo/WPCo demands to decrease by approximately 3.6%.
2. We expect Mon Power/PE demands to increase by approximately 7.6%.
3. APCo/WPCo face declining excess reserve margins, offset by the planned purchase of Kentucky Power Company's 50% ownership of Mitchell Power Plant at the end of 2028.
4. Based on existing capacity resources, adjusted for planned additions or retirements, Mon Power/PE faces declining excess reserve margins, and has negative excess reserve margins over the entire forecast period.
5. The need to acquire new supply to assure reliability is not triggered until the excess reserve margins reach zero.
6. Since APCo has elected an exclusive self-supply option under PJM rules, it should meet UCAP load obligations and maintain a small but declining excess reserve margin with company-owned capacity and purchased power contracts.
7. Mon Power faces reserve margins that are below zero throughout the forecast period, which means it must acquire additional capacity or control load to meet its supply obligations to cover its PJM UCAP load.
8. Unlike APCo, which has elected an exclusive self-supply option, Mon Power has elected to have the ability to meet shortfalls in UCAP either through acquiring additional supply resources or purchasing capacity from the PJM capacity market.

Appalachian Power Company and Wheeling Power Company

APCo is the largest operating company in the American Electric Power (AEP) East System in terms of population served, number of customers and area of service territory. APCo covers southern West Virginia and adjacent portions of Virginia. WPCo owns generation, transmission and distribution facilities providing service in Marshall and Ohio counties. For rate regulation purposes in West Virginia, all operating costs of APCo/WPCo, including power supply costs, are combined and shared among APCo/WPCo customers. The Commission sets the same tariff rates, by class of customer, for both companies.

APCo's internal electricity supply sources include coal-fired steam power plants, natural gas-fired power plants employing either solely combustion-turbine technology or combined combustion turbine and steam technology (combined cycle), hydroelectric facilities and purchased power contracts. APCo also has existing purchased power contracts from renewable resources, and potential future additions include more capacity and energy supplies from renewable energy sources.

As previously stated, APCo reaches annual peak demands during winter months and PJM peaks in the summer. For PJM planning purposes, the adequacy of APCo self-supply capacity to meet UCAP load obligations is measured during the summer months, and the supply and demand data used in this report reflect summer peaks. It is possible APCo's projected excess reserve margins in any year will be less, and likely even negative, when APCo reaches its winter internal peaks. Because of the availability of capacity and energy from the PJM market after meeting its summer self-supply obligations, any additional capacity and energy required during APCo's winter peak periods should be available from the PJM market.

A summary of the combined projected capacity supply and demand (at PJM UCAP levels) for APCo/WPCo is represented in the following table.

Appalachian Power Company / Wheeling Power Company Projected Supply and Demand - 2023 through 2032 Based on Summer Internal Load and PJM UCAP Load Obligations and Capacity[1]								
	Internal UCAP Load Obligation[2]			UCAP Capacity[3]			Excess Reserve Margin over Reserves Built into UCAP	
	APCo	WPCo	Total	APCo	WPCo	Total	Total	
Year	MW	MW	MW	MW	MW	MW	MW	Percent
2023	5,571	700	6,271	6,189	649	6,837	566	9.00%
2024	5,625	703	6,329	6,195	649	6,844	515	8.10%
2025	5,615	703	6,319	5,804	649	6,452	134	2.10%
2026	5,438	683	6,121	5,801	649	6,450	328	5.40%
2027	5,366	684	6,051	5,784	649	6,432	382	6.30%
2028	5,362	686	6,048	5,771	649	6,420	372	6.10%
2029	5,339	691	6,031	5,758	1,297	7,055	1,024	17.00%
2030	5,340	695	6,035	5,752	1,297	7,049	1,013	16.80%
2031	5,344	699	6,043	5,753	1,297	7,050	1,007	16.70%
2032	5,347	696	6,044	5,756	1,297	7,053	1,009	16.70%

1. Includes APCo total company (WV and VA) UCAP capacity resources and UCAP load obligations consistent with the currently anticipated capacity and load assumptions to be used in the 2023 APCo Virginia Clean Economy Act plan to be filed in Virginia in January 2023. The APCo UCAP load obligations have been reduced by Demand Response and Demand Side Management.

2. Includes PJM adjustments to measured load to reflect diversity and reserve requirements.

3. Includes APCo-owned generation and long-term power contracts and WPCo-owned generation. Assumes that Clinch River 1+2 retire in 2025. Assumes that post December 31, 2028, WPCo will assume ownership of KPCo's 50% interest in the Mitchell Plant.

Monongahela Power and The Potomac Edison Company West Virginia

Mon Power and PE are regulated subsidiaries of FirstEnergy. The long-term assessment of supply and demand includes total current and future capacity resources owned or contracted by Mon Power and the total load (demand) for the combined Mon Power and PE service territory in West Virginia.

Mon Power's internal electricity supply sources include coal-fired steam plants and purchased power contracts. The purchased power contracts include waste coal generation and both run-of-river and pump-storage hydro generation. Mon Power has a partial ownership share of a pump hydro generation facility located in Virginia and a small sponsorship share of the Ohio Valley Electric Corporation units located in Ohio and Indiana. Potential future changes in Mon Power's supply sources include acquisition of additional generating capacity and more purchases from the PJM market.

Like APCo, Mon Power, historically, has reached its annual peak demands during the winter months. Because PJM peaks in the summer, for PJM planning purposes, the adequacy of Mon Power capacity is measured during the summer months. Although on a stand-alone basis it would be normal to project the Mon Power supply and demand balances at the time of the annual winter peaks, for purposes of this report the Commission is using the summer demand levels that are used for PJM planning purposes. Excess reserve margins will be lower in the winter when Mon Power reaches its internal peaks. It is likely that projected excess reserve margins will be less, or projected negative, at the time of Mon Power's winter peak demand. Because it has not elected an exclusive self-supply option, if Mon Power requires more capacity at any time, that capacity should be available from the PJM market.

A summary of the Mon Power/PE projected capacity supply and demand for the forecast period is reflected in the following chart. The Mon Power data shows a supply deficiency throughout the forecast period. Unlike APCo, Mon Power can use purchases from the PJM capacity market to meet incremental capacity deficiencies. For resource planning, Mon Power will have to consider either continuing to rely on the PJM market to meet its total UCAP load obligations or adding new company-owned or contracted capacity.

Monongahela Power Company / The Potomac Edison Company Projected Supply and Demand - 2023 through 2032[1] Based on Summer Internal Load and PJM UCAP Obligations and Capacity								
	Internal Load Plus Reserves[3 & 4]			UCAP Capacity[2]			Reserve Margin plus Margins Built into UCAP	
Year	Mon Power MW	PE MW	Total MW	Mon Power MW	PE MW	Total MW	Total MW	Total Percent
2023	2,435	788	3,224	3,144	0	3,144	-80	-2.50%
2024	2,470	799	3,269	3,144	0	3,144	-125	-4.00%
2025	2,494	795	3,290	3,144	0	3,144	-146	-4.60%
2026	2,520	796	3,316	3,144	0	3,144	-172	-5.50%
2027	2,543	797	3,340	3,144	0	3,144	-196	-6.20%
2028	2,570	799	3,369	3,144	0	3,144	-225	-7.20%
2029	2,592	799	3,391	3,144	0	3,144	-247	-7.90%
2030	2,615	801	3,416	3,144	0	3,144	-272	-8.70%
2031	2,639	802	3,441	3,144	0	3,144	-297	-9.50%
2032	2,667	805	3,472	3,144	0	3,144	-328	-10.40%

1. Includes Mon Power and PE total company (WV) UCAP capacity resources and UCAP load obligations.
2. Includes Mon Power and PE total company-owned generation and long-term power contracts.
3. Reserve Margin = PJM FPR = PJM summer installed reserve margin IRM less average equivalent demand forced outage rate (2023/24=9.30%, 2024/25=9.26%, 2025/26=9.18%, 2026/2027 and beyond=9.18%)
4. Mon Power/PE internal load plus reserves calculated to be coincident with total WV internal load and reserves.
5. Current PJM capacity requirement for the 2022/2023 planning year is 3,292.19 MW. Capacity requirement estimate used in ENEC Case No. 22-0793-E-ENEC for planning year 2023/2024 is 3,320.6 MW.

PJM Interconnection LLC

PJM is a regional transmission organization (RTO). The voluntary creation of RTOs was initiated by FERC Order No. 2000, issued on December 20, 1999. The purpose of the RTO is to promote economic efficiency, reliability and non-discriminatory practices while reducing government oversight. PJM is located in Norristown, PA, and is governed by an independent Board of Managers elected by the PJM members. PJM's decision-making has several processes, depending on the decisions being made. In some instances, PJM members make decisions in a stakeholder-driven process. In other instances, the PJM Board of Managers makes decisions and, if it is related to transmission decisions, the PJM transmission owners and the Board of Managers coordinate decisions. Whatever the decision, and regardless of who makes it, the information must be filed and approved by FERC.

PJM coordinates movement of wholesale electricity and operates the transmission grid delivering power in all or parts of West Virginia, Illinois, Michigan, Indiana, Ohio, Kentucky, Tennessee, North Carolina, Virginia, Maryland, the District of Columbia, Pennsylvania, Delaware and New Jersey. The PJM grid consists of the major transmission facilities owned by a large number of integrated electric utilities, transmission companies spun off from former integrated electric utilities and new transmission companies. These transmission owners have turned over operation of their interconnected transmission lines to PJM. Approximately two-thirds of a retail electric bill in West Virginia is for the wholesale cost of electricity and transmission costs passed through FERC and PJM. The remaining third of the bill results from traditional state ratemaking expenses approved by the Commission.

As the grid operator, PJM conducts ongoing long-term regional planning that projects load within the system. Based on overall load levels, the geographic location of loads and the capability of the transmission lines to move energy within the grid, PJM evaluates potential grid transmission bottlenecks and reliability issues. The end result of the evaluation and planning process is the identification of transmission upgrades and new transmission necessary to ensure reliably delivered power. PJM notifies transmission owners of the need for system upgrades. For local, lower-voltage upgrades, transmission owners are then responsible for implementing necessary upgrades under the jurisdiction of state commissions. Under FERC rules, larger upgrades needed for reliability purposes and subject to PJM-wide cost allocation may require competitive bidding.

PJM operates a competitive wholesale electricity energy market within the region served by transmission facilities under its control. Generation providers bid their production volumes and prices for delivery into the market on the next day. Those energy bids are matched to the energy requirements of load-serving entities on the next day (day-ahead market). PJM matches generation and load requirements on a regional basis and determines the hourly prices at which power will enter (clear) the market. Market price for power varies based on location and time of day. In addition, PJM manages a real-time power market to price power necessary to serve hourly supply-and-demand fluctuations from the day-ahead market commitments.

PJM also operates a capacity market. The capacity market is based on the PJM long-term reliability pricing model (RPM). Along with capacity buyers and sellers, the RPM takes into consideration the continued use of self-supply and bilateral contracts by load-serving entities electing to generate or contract for their own capacity requirements. Annual capacity auctions obtain the remaining capacity that is needed after fixed-resource or self-supply market participants have committed the resources they will supply themselves or obtain through contracts. PJM receives bids for annual capacity from suppliers to be available three years in the future. Through this bidding process, the price that will be paid for future capacity is established based on the price of the last unit of capacity that clears the market. Successful bidders receive the marginal market clearing price, and all load pays that price.

The Commission is an *ex officio* non-voting member of PJM and participates in its member-driven stakeholder processes. Most recently, the PSC is addressing how to incorporate the zero-carbon mandates of other states into the wholesale markets without prejudicing the operation of West Virginia's coal-fired generation. Setting generation policy falls into the PSC's jurisdiction and is not regulated by FERC.

PJM is regulated by FERC. The Commission is Party to many PJM-related FERC cases. Some cases involve costs of connecting generation to the grid, energy and capacity rules for the wholesale markets, collateral requirements for participants in the markets, integrating zero-carbon generation into the grid and what cost responsibilities customers bear. The Commission is involved to protect West Virginia customers from unnecessary costs and risks.

FERC Cases Involving PJM Operational Matters

FERC is the authority that determines how the PJM Energy, Capacity and Ancillary Services Markets operate. These issues are first addressed by the PJM stakeholder process. Whether stakeholders agree on the terms and conditions of the market rules, PJM files proposed tariff changes with FERC. In some cases, the filings have the support of the PJM members. Other times, the members cannot agree. PJM transmission owners also have the right to file proposed changes to their tariffs. The Public Service Commission of West Virginia individually, or with other Commissions, participates in such cases at FERC, which have included:

- Transmission Line Ratings: (ER21-2043; ER20-584; EL19-100; ER21-728; ER20-2308). FERC has also opened a rulemaking on this matter (AD22-5; RM 20-16).
- Transmission Planning: (EL19-91; ER21-2282; ER20-2686; ER20-2308). FERC has also opened a rulemaking on this matter (AD21-15; RM20-10).
- PJM not following its Tariff: (EL19-63; EL19-47; EL22-80).
- Financial Transmission Rights Risk to Retail Customers: (EL22-32; ER22-73; ER18-1314; ER22-797; ER22-703).
- Market Rule Changes, Energy and Capacity: (Capacity Pricing, ER18-1314; ER21-2582; FERC NOI on Market Design, RM22-2).

This Commission is actively engaged in these cases to protect West Virginia customers from unnecessary cost increases or practices that will increase their retail costs.

Cost Allocation to Bring Other States' Renewable Generation on Line

The determination of each states' generation requirements is up to the states, not FERC. FERC has a "beneficiary pays" test, whereby only the states who benefit from the transmission build pay for it. There is a movement underway to socialize the transmission costs to bring renewable generation built to satisfy state policies on line (i.e. New Jersey's 15 GW offshore wind facility). This could have significant consequences for West Virginia. One issue, addressed in FERC rulemakings (RM21-17; AD21-15), could determine what costs will be assigned to West Virginia for the transmission requirements for other states' renewable energy portfolios. Some states have enacted aggressive renewable or low carbon generation requirements. West Virginia should have no financial responsibility for transmission builds to bring those generators onto the grid. FERC has not determined whether it will stay with a beneficiary pays cost allocation; however, if FERC abandons this cost allocation, as long as West Virginia remains in an RTO, it could be required to pay for those transmission costs necessary to bring other states' renewable generation on line.

PJM Capacity Requirement Inputs

Changes to PJM's capacity requirement formula have been proposed that would attempt to reduce overpurchasing of capacity by PJM, resulting in lower energy costs across the RTO. These changes are being reviewed by FERC, and may be modified or stricken before implementation (FERC Docket ER22-2984).

Distributed Energy Resource Aggregation

FERC approved Order 2222, enabling distributed energy resources (DER) to compete in regional wholesale energy markets by aggregation. DERs are small generation or storage resources, like residential solar panels, which individually lack the capacity to participate in the wholesale market. Order 2222 instructs grid operators to revise tariffs to remove barriers for DER participation in the PJM capacity market. PJM released its proposal on February 1, 2022, with limited implementation planned for July 2023 and full implementation planned for February 2026. Grid operators are working with state commissions on compliance.

Conclusion

Based on the information reviewed by Commission Staff, it is the conclusion of the Commission that West Virginia will have an adequate supply of electricity available to meet demand for the next 10 years (2023-2032). Any shortfall in supply that is not filled by purchased capacity or utility-owned generation will be met through purchases from the PJM capacity market.

APPENDIX H

Natural Gas Utilities Supply – Demand Forecast 2022-2031

The Natural Gas Utilities Supply-Demand Forecast 2023-2032 is similar to previous reports to the Legislature, primarily because: (i) the actual flowing supplies match all demand in the state at all times (except for minimal unplanned outages); (ii) the capacity of unrestrained production far exceeds current and future projected demand; (iii) shale-gas development is still occurring; and (iv) no significant additions to current or projected demands on utility systems in the state or power production fuel switching involving natural gas public utilities have been identified. Therefore, the only changes made are to update the forecast date range, identify residential customers solely dependent on gas supplied through the Equitrans gathering and intrastate pipeline system proposed abandonment, comment on the likely effects of SB 390 and to update market price forecasts.

Prior to 1979, the wholesale price of natural gas was regulated and capped by the federal government. Concern at that time was that suppliers of natural gas were reluctant to produce and market their supplies and that exploration for new sources was somewhat curtailed because some believed wholesale gas prices were artificially low and unprofitable. The Legislature, concerned about these factors and interested in learning more about the natural gas production industry in West Virginia and what role the Legislature might play in it, directed the Commission as part of an annual Management Summary Report, to describe the current balance of supply and demand for natural gas and electric utility services in the state and forecast the probable balance for the next 10 years.

Prior to the passage of the Federal Natural Gas Policy Act of 1978 (NGPA), the natural gas market experienced production shortages that many believed were a direct result of federal price controls. The NGPA addressed the situation by establishing a schedule of price decontrol over time, reducing barriers between interstate and intrastate markets and providing incentives for gas exploration and development. Today, wholesale natural gas prices are market-driven and are subject to various market forces, much like the prices of any other publicly traded commodity.

West Virginia exports far more native-production gas than it consumes. The state also has multiple access points to interstate gas from other production areas and major gas-storage regions. This report focuses on the physical availability of supplies of natural gas and the outlook for the next 10 years. Based on recent developments of unconventional natural gas reserves in the Appalachian Basin and elsewhere in the United States, more than an ample supply exists for the coming decade and beyond. Included in this year's report are concerns regarding peripheral issues related to general supply-and-demand and localized concerns relating to certain trends.

The prices natural gas public utilities pay their suppliers for gas are not regulated by the state or federal government. Utilities buy gas based on national market prices and recover those costs through rates that include storage and transportation costs. Adjustments are made based on past period over- or under-recoveries of gas costs.

Prices for natural gas are expected to rise during the winter of 2022-2023. The rising prices in recent months reflect U.S. natural gas inventory levels that are below the five-year average and continuing demand for natural gas for power generation use at relatively high prices. The war in Ukraine and the after effects of Hurricane Ian also will contribute to price increases.

History of Natural Gas Pricing

Prior to passage of the NGPA and for the first few years afterward, natural gas prices at the wellhead were regulated with a maximum-allowable price. As production costs escalated with inflation, producers saw profits decrease to the point that it was no longer attractive to investors and owners to drill new wells or, in some situations, to maintain wells in production, which increased legislative interest in shut-in wells. The situation became so severe that moratoria were put into place restricting the addition of new distribution customers, essentially nationwide. This resulted in an increase of all-electric housing and businesses.

Congress passed the Industrial Fuel Use Act of 1978, which dictated the allowable uses of natural gas by industry. Use of natural gas in industrial boilers, including for the generation of electricity, was prohibited. This led to conversion of natural gas-fired boilers to fuel oil and reduced natural gas use in industrial boilers.

Congress also passed the Natural Gas Utilization Act of 1987, repealing much of the Fuel Use Act at about the same time wellhead prices became fully deregulated under NGPA, and gas began trading on a national commodity market basis. Supply, demand and prices all rose significantly. These actions greatly reduced concerns over adequate supplies in the near term.

Since 2007, huge new supplies of gas have become available and recoverable because of advances in deep-well and horizontal drilling technology and economic feasibility, along with the accompanying hydraulic fracturing process. Estimates by industry, government and academia show more than ample supply for the long term, with most saying there is a recoverable supply in North America to cover needs for 100 years or more. The abundance drove the price of natural gas to near record low levels when compared to prices in the 1980s and 1990s. The use of gas for electric generation and other industrial applications continues to grow and exportation of liquefied natural gas to other countries has begun. According to the GO-WV, West Virginia natural gas end-users (households, businesses and manufacturers) have saved $3.69 billion over the 10-year period between 2008 and 2018 in gas utility city gate pricing because natural gas production increased in the Appalachian Basin[1].

Marcellus, Utica and Other Shales' Impact on Supply

The feasibility of extracting natural gas from multiple shale and more shallow formations in the Appalachian region has resulted in an approximate year-over-year 20% increase in drilling and production activity in West Virginia over the last 15 years. While shales are present in many locations in West Virginia, the major large and producing shales are in the 14 northwestern counties. Gas has long been known to exist in the various formations, but until improvements in deep well and horizontal drilling capabilities were made, the resource was not economically attractive to producers. More economic horizontal drilling techniques are now being utilized in older formations typically utilized for vertical conventional gas production. The passage of Senate Bill 694 in 2022 by the West Virginia Legislature should further increase both the efficiency and productivity of horizontal wells in West Virginia.

The continuing development of horizontal drilling and fracking techniques has made access to natural gas formations more economic. Current well pads include up to eight wells, which can extend out vertically and horizontally in many directions and into multiple shale formations. In fact, the well horizontal sections can also change mid-well bore direction. Most new WVDEP underground mining permits include well pads and wells showing multiple horizontals. Horizontal technology has increased such that well sections have reached over 20,000 horizontal feet in length. Pooling will make those lengths more common, reducing set-up costs and requiring fewer well pads. While further increases may come, the risk of drill loss may limit any significant increases. As technology has improved, drill rig counts have decreased while maintaining and increasing production. Despite the decreasing number of drill rigs, operating production in West Virginia and throughout the Appalachian region continues to increase at a rate approaching 20% annually except for 2021 when, due to COVID and a lack of pipeline capacity, there was only an increase of 7% in West Virginia. Rig counts may likely increase somewhat due to SB 694, but until more pipeline capacity is available large increases are unlikely.

Once completed, the Mountain Valley Pipeline (MVP) would link West Virginia to the Atlantic Coast, and the Equitrans Transmission Ohio Valley Connector would connect to the western and southern lines to the large liquefied natural gas (LNG) facilities in the Gulf region. The recent upgrade of the Cove Point LNG facility on the Chesapeake Bay to 1.8 billion standard cubic feet per day can be a boost to the West Virginia gas industry once MVP is completed.

According to state tax records, gas production (including natural gas liquids and coalbed

1. *Natural Gas Savings to End-users: 2008-2018*, a technical briefing paper prepared by Kleinhenz & Associates.

methane) contributed $352 million in severance and property tax for fiscal year 2022.

Recently, new drilling activities have shifted to oil-bearing areas in the eastern United States formations, most notably Utica Shale that is predominantly in Ohio, and to “wet” gas zones in the Marcellus formation. Wet gas is valued for its constituents, which are removed from the total gas stream and are utilized primarily for the chemical industries. This shift in production activities may slow, but will not eliminate, production of natural gas from other non-traditional formations. As producers develop oil-bearing formations, gas that coexists with the oil also must be produced.

Natural gas demand remains flat for the three main distribution utilities within West Virginia: Mountaineer Gas Company, Hope Gas dba Dominion Energy and Peoples Gas West Virginia. These three main distribution companies do not foresee any concerns with natural gas supply on their distribution systems because they are traditionally interconnected with interstate transmission lines flush with Marcellus and Utica supply.

Filings with this Commission by natural gas utility companies in West Virginia identify more than 3,800 local distribution company (LDC) customers with farm taps on third-party low-pressure gathering and intrastate pipelines operated by Equitrans that are at risk of losing gas service. The number of farm taps for the most affected companies are listed below.

Local Distribution Company	Customers 100% Reliant on Equitrans Farm Taps
Peoples Gas West Virginia	2,512
Hope Gas, Inc., dba Dominion Hope	1,132
Mountaineer Gas Company	193

Records filed with FERC under Docket CP20-213 showed conventional natural gas production on Equitrans’ Midstream system has dropped from 21.2 million dekatherms (MMDth) in 2014 to 7.9 MMDth in 2021. Further drops may be coming as old well supplies continue to reduce output. Assuming average residential customer consumption is 76 dekatherms/year/customer, only 3.9% of the total production on Equitrans Midstream’s system is consumed by these farm tap customers.

On October 4, 2021, Big Dog Energy, LLC submitted a proposal to Equitrans to acquire the local pipeline facilities it proposes to sell or abandon. It has yet to be determined whether Big Dog Energy can or will provide safe, reliable and continuous gas service to the 3,837 LDC farm tap customers on such a large pipeline system, including pipelines and numerous transmission-sized compressors in Greene County, Pennsylvania; and in Braxton, Doddridge, Gilmer, Harrison, Marion, Marshall, Monongalia, Ritchie, Taylor, Tyler and Wetzel counties in West Virginia.

Current Projections

The EIA Short-Term Energy Outlook, released in October 2022, provided the following information:

- In October 2022, the Henry Hub natural gas spot price averaged $5.66 per million British thermal units (MMBTU), up from an average of $3.76/MMBTU in December 2021. EIA anticipates natural gas price will average about $7.40/MMBTU in the fourth quarter 2022 then fall below $6.80/MMBTU in 2023 as gas production rises.

- EIA estimates that total U.S. working natural gas in storage will end in October at almost 3.5 trillion cubic feet (Tcf), 6% below the five-year (2017-2021) average. Injections into storage this summer have been below the previous five-year average, largely as a result of hot weather and high exports occurring amid relatively flat natural gas production.

- EIA expects that total U.S. consumption of natural gas will average 87.9 billion cubic feet per day (Bcf/d) in 2022, up 3.9% from 2021 with increases in demand from all sectors of the economy. However, consumption is anticipated to decline by 2.6 Bcf/d due to lower consumption in electric power and industrial sectors.

- In the third quarter of 2022 dry gas production averaged 98.5 Bcf/d, up from 95.1 Bcf/d in the first quarter of 2022. EIA forecasts natural gas consumption will average 99.1 Bcf/d in the fourth quarter of 2022 and 99.6 Bcf/d in 2023. Record-high dry natural gas production in the first half of 2021 was made possible by growth in pipeline takeaway capacity that allows natural gas produced in the Appalachian Basin to reach other demand markets especially in the Midwest. The Mountain Valley Pipeline, the largest natural gas pipeline currently being constructed in the region, is targeted to enter service in 2023.

- U.S. LNG exports averaged 10.5 Bcf/d in the second half of 2022, a 6% decrease from the first half of the year. The reduction was due to the anticipated outage at the Freeport LNG facility expected to last until late 2022. Global natural gas demand remains high as additional LNG export trains go online at Sabine Pass LNG and Calcasieu Pass LNG to provide the needed capacity.

Natural Gas Utility Positions

We expect little change in natural gas utility load over what was reported last year. The passage of SB 390, designed to encourage the expansion of the gas industry and the availability of natural gas to unserved or underserved areas of the state, is leading an expansion of gas utility infrastructure. With the passage of SB694, gas production will see a significant increase as currently permitted wells will be much more productive. Certain areas of the state may experience declines in gas demand due to shrinking populations, conventional local gas production decline and certain industrial load declines.

Conclusion

West Virginia and the United States have more than enough natural gas available to meet demand for the next 10 years (2023-2032) and well beyond. We expect natural gas spot prices to remain volatile, and somewhat elevated in late 2022 before falling in 2023. We forecast the Henry Hub spot price to average between $6.00 and $7.00/MMBtu in late 2022 and early 2023, then fall below $6.00/MMBtu as U.S. natural gas production rises. Prices in West Virginia will remain lower than the Henry Hub spot prices due to a continuation of the historical negative basis difference between Henry Hub and Appalachian interstate delivery points.

APPENDIX I

Utility Discount Program

Through a program created by the West Virginia Legislature in 1983, qualifying residential customers are eligible for a reduced rate schedule in their gas, electric and water utility rates. The reduced rate is 20% less than the rate applicable to other residential customers.

Eligible customers must be receiving:

- Social Security Supplemental Security Income (SSI);
- WV Works, a program previously called Aid to Families with Dependent Children (AFDC) and Temporary Aid to Needy Families (TANF); or
- Supplemental Nutrition Assistance Program (SNAP), a program previously called Food Stamps, if the recipient is age 60 or older.

During the 2021-2022 program year, 37,949 electric customers received more than $5.51 million in discounts, 15,441 natural gas customers received more than $1.51 million in discounts and 3,881 eligible West Virginia American Water customers received $462,469 in discounts.

Following is a report on the 20% discount program for the billing months of November 2021 through April 2022 for the gas and electric utilities and for the billing months of June 2021 through May 2022 for WVAW. A summary by type of utility, including the percentage changes from last year and individual utility information is detailed on the following pages.

20% Discount Program Summary Data									
	Electric Utilities			Natural Gas Utilities			WV American Water Co.		
	2021-2022	2020-2021	Change	2021-2022	2020-2021	Change	2021-2022	2020-2021	Change
Applications Received	40,417	40,026	0.98%	15,479	15,514	-0.23%	1,419	1,784	-20.46%
Applications Approved	37,949	36,910	2.81%	15,441	15,487	-0.30%	1,005	1,232	-18.43%
Percent Approved	93.89%	92.22%		99.75%	99.83%		69.06%	69.06%	
Residential Customers	850,835	848,713	0.25%	336,474	336,520	-0.01%	169,086	168,630	0.27%
Customers GIven Discount	37,949	36,910	2.81%	15,441	15,487	-0.30%	3,881	3,430	13.15%
% of Customers Given Discount	4.46%	4.35%	2.56%	4.59%	4.60%	-0.28%	2.30%	2.03%	12.84%
SSI Customers	17,974	18,232	-1.42%	7,288	7,314	-0.36%	142	475	-70.11%
WV Works Customers	1,951	2,183	-10.63%	1,062	1,131	-6.10%	687	558	23.12%
SNAP (Age 60 Plus)	18,024	16,495	9.27%	7,091	7,042	0.70%	176	199	-11.56%
If Billed at Non-Discounted Rates	$27,592,159	$26,336,421		$6,672,526	$6,302,220		$2,193,661	$3,161,207	
Billed at Discounted Rates	$22,073,727	$21,069,136		$5,336,456	$5,040,211		$1,731,192	$2,507,514	
Revenue Decrease	$5,518,432	$5,267,285	4.77%	$1,519,961	$1,262,009	20.44%	$462,469	$653,693	-29.25%
Adjustment for B&O Tax Reduction	$0.00	$0.00		$65,206	$54,140		$20,308	$28,762	
Revenue Deficiency Certified	$5,518,432	$5,267,285	4.77%	$1,454,754	$1,207,869	20.44%	$442,161	$624,931	-29.25%

Gas and electric utility data for November 2021 - April 2022, WVAW data for June 2021 - May 2022.

20% Discount Program for Electric Utilities

	Appalachian Power	Monongahela Power	Potomac Edison	Wheeling Power
Applications Received	19,547	15,696	3,934	1,240
Applications Approved	17,553	15,412	3,844	1,140
Percent Approved	89.80%	98.19%	97.71%	91.94%
Residential Customers	353,652	334,332	127,962	34,889
Customers Given Discount	17,553	15,412	3,844	1,140
% of Customers Given Discount	4.96%	4.61%	3.00%	3.27%
SSI Customers	8,983	7,222	1,313	456
WV Works Customers	953	728	227	43
SNAP (Age 60 Plus)	7,617	7,462	2,304	641
If Billed at Non-Discounted Rates	$16,136,377.70	$8,003,190.73	$2,724,693.07	$727,897.90
Billed at Discounted Rates	$12,909,102.16	$6,402,552.23	$2,179,754.74	$582,318.32
Revenue Decrease	$3,227,275.54	$1,600,638.50	$544,938.33	$145,579.58
Adjustment for B&O Tax Reduction	$0.00	$0.00	$0.00	$0.00
Revenue Deficiency Certified	$3,227,275.54	$1,600,638.50	$544,938.33	$145,579.58

Data for November 2021 - April 2022

20% Discount Program for Natural Gas Utilities

	Mountaineer Gas	Dominion Energy WV (Hope Gas)	People's Gas WV	Consumers Gas Utility	Union Oil & Gas	Southern Public Service Co.
Applications Received	8,363	4,906	357	431	80	236
Applications Approved	8,363	4,887	357	431	76	236
Percent Approved	100.00%	99.61%	100.00%	100.00%	95.00%	100.00%
Residential Customers	195,267	102,184	11,780	7,686	5,997	5,506
Customers Given Discount	8,383	4,887	357	431	76	236
% of Customers Given Discount	4.29%	4.78%	2.79%	5.64%	1.28%	4.31%
SSI Customers	3,936	2,325	154	227	34	120
WV Works Customers	606	324	16	17	37	8
SNAP (Age 60 Plus)	3,821	2,238	187	187	5	108
If Billed at Non-Discounted Rates	$4,822,986.15	$2,034,581.50	$193,664.79	$206,735.54	$33,589.40	$116,242.30
Billed at Discounted Rates	$3,858,388.92	$1,627,665.20	$154,931.83	$164,101.21	$26,871.52	$92,993.84
Revenue Decrease	$964,597.23	$406,916.30	$38,732.96	$42,634.33	$6,717.88	$23,248.46
Adjustment for B&O Tax Reduction	$41,381.22	$17,456.71	$0.00	$1,829.00	$0.00	$997.36
Revenue Deficiency Certified	$923,216.01	$389,459.59	$38,732.96	$40,805.33	$6,717.88	$22,251.10

Data for November 2021 - April 2022

20% Discount Program for Natural Gas Utilities

	Cardinal Natural Gas (Lumberport)	Cardinal Natural Gas Southern Div.	Standard Gas	Cardinal Natural Gas (Blacksville)	Megan Oil & Gas
Applications Received	518	539	12	5	32
Applications Approved	516	526	12	5	32
Percent Approved	99.61%	97.59%	100.00%	100.00%	100.00%
Residential Customers	3,229	2,953	347	240	196
Customers Given Discount	516	526	12	5	32
% of Customers Given Discount	16.08%	18.09%	3.46%	2.14%	16.33%
SSI Customers	273	200	5	0	14
WV Works Customers	28	25	1	0	0
SNAP (Age 60 Plus)	215	301	6	5	18
If Billed at Non-Discounted Rates	$68,318.68	$95,493.21	$3,265.73	$663.09	$17,825.59
Billed at Discounted Rates	$54,654.88	$76,394.63	$2,612.36	$530.47	$14,260.48
Revenue Decrease	$13,663.80	$19,098.58	$653.37	$132.62	$3,565.11
Adjustment for B&O Tax Reduction	$586.17	$819.33	$0.00	$5.69	$0.00
Revenue Deficiency Certified	$13,077.63	$18,279.25	$653.37	$126.93	$3,565.11

Data for November 2021 - April 2022

APPENDIX J

Tel-Assistance Service Telephone Rate Discount Program

Tel-Assistance Service provides reduced rates for qualified low-income residential customers of telephone utilities through a waiver of the monthly Federal Subscriber Line Charge. The option of Tel-Assistance Service remains part of the filed residential tariffs of all of the local exchange telephone utilities and is available to all eligible customers. Eligible customers must be receiving benefits from an income-related state or federal program, including SSI, WV Works, Medicaid, Federal Public Housing Assistance, Low Income Home Energy Assistance Program (LIHEAP) or SNAP if the recipient is 60 or older.

The telephone utilities may recover their certified revenue deficiency as a credit against the carrier's income tax. The agreements or tariffs filed with the Commission for approval in accordance with the Tel-Assistance Program may specify the methodology by which the eligible telecommunications carrier calculates its annual revenue deficiency. Subject to prior approval by the Commission, eligible telecommunications carriers may agree to freeze or cap the amount of the revenue deficiency at specific levels.

Frontier, West Virginia Inc. and Citizens Telecommunications Company of West Virginia, dba Frontier Communications of West Virginia, are the only companies that filed a Tel-Assistance report for certification of revenue deficiency for 2022.

Frontier requested the Commission certify $66,384.89 as its revenue deficiency associated with the Tel-Assistance Program for the 2021 program year (Case No. 22-0869-T-P). Citizens requested the Commission certify $19,603.80 as its revenue deficiency for the 2021 program year (Case No. 22-0870-T-P). The Commission approved these revenue deficiencies. These cases are now closed.


Public Service Commission
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