



WILLIAM C. PORTH  
ATTORNEY AT LAW

P.O. BOX 1791  
CHARLESTON, WV 25326

DIRECT DIAL: (304) 347-8340  
E-MAIL: [wcp@ramlaw.com](mailto:wcp@ramlaw.com)

July 17, 2014

**BY HAND DELIVERY**

04:33 PM JUL 17 2014 PSC EXEC SEC DIV

Ms. Ingrid Ferrell  
Executive Secretary  
West Virginia Public Service Commission  
201 Brooks Street  
Charleston, WV 25301

*Re: Appalachian Power Company and  
Wheeling Power Company  
Case No. 14-0546-E-PC*

Dear Ms. Ferrell:

I write to make a correction to certain direct testimony that was filed in the above-referenced proceeding. Late last week, Appalachian Power Company and Wheeling Power Company ("WPCo") (collectively, the "Companies") became aware of a potential error in Company Exhibit JFT-D2. After investigating the details, the Companies determined that Company Exhibit JFT-D2 did contain an error.

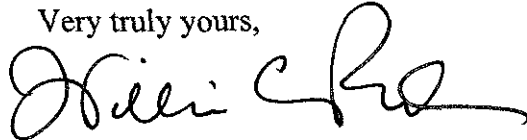
The error appears in Company Exhibit JFT-D2, on page 2 of 2, which presents costs associated with an alternate portfolio made up of a contract between WPCo and AEP Generation Resources Inc. ("AEP GR") for the period 2015 through 2018 and a new 780 MW natural gas combined cycle plant for the period 2019 and beyond (the "780 CC Portfolio") in the column labeled "(9a) WPCo Contract (from AEP GR)." The values included in the WPCo contract costs in this column include estimated net transmission costs, which would be billed under the WPCo contract. It has been determined that those transmission costs would continue to be incurred by the Companies even if the proposed transfer of the Mitchell Asset occurred at the beginning of 2015. Therefore, those costs are not incremental to the 780 CC Portfolio and should be excluded from the analysis.

By removing those costs from the WPCo contract values, the total CPW cost of the 780 CC Portfolio is reduced by \$86 million to \$3,566 million, and the difference between the 780 CC Portfolio and the Mitchell Portfolio is reduced from \$446 million to \$360 million. In other words, the Mitchell Portfolio is \$360 million less expensive than the 780 CC Portfolio.

Ms. Ingrid Ferrell  
July 17, 2014  
Page 2

This correction also requires the correction of two numbers in Mr. Torpey's direct testimony. On page 12, line 3, "\$446 million" should be replaced with "\$360 million", and on page 12, line 7, "\$770 million" should be replaced with "\$684 million". I am enclosing the original and twelve (12) copies of 2014 Company Exhibit JFT-D2 CORRECTED. Mr. Torpey plans to make the corrections to his direct testimony when he takes the stand at hearing.

Very truly yours,



William C. Porth (W.Va. State Bar #2943)

Counsel for  
Appalachian Power Company  
and Wheeling Power Company

WCP:ss  
Enclosures  
cc: Service List (w enc.)

780 CC Portfolio

	(1)	(2)	(3)	(4)	(5)=(1)thru(4)	(6)	(7)=(5)-(6)	(8)	(9a)	(9b)	(10)=(7)+(8)+(9a) +(9b)	As shown on original Exhibit JFT-D2
	Load Cost	Fuel Costs inclu. Fuel Handling	Emission Costs	VOM and Start Cost	Production Cost	Less: Market Revenue	Total Production and Load Costs, Net	FOM	WPCo Contract (from AEP GR)	CC Build Carrying Charges	Total Fixed & Variable Costs	\$000
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>2014</b>	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
<b>2015</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$163,577	\$0	\$163,577	<== \$186,714
<b>2016</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$167,175	\$0	\$167,175	<== \$194,272
<b>2017</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$172,235	\$0	\$172,235	<== \$203,110
<b>2018</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$181,306	\$0	\$181,306	<== \$215,149
<b>2019</b>	\$168,453	\$91,556	\$0	\$5,996	\$266,005	\$125,768	\$140,237	\$8,887	\$0	\$162,116	\$311,240	
<b>2020</b>	\$175,201	\$94,845	\$0	\$6,110	\$276,156	\$130,329	\$145,827	\$9,109	\$0	\$162,116	\$317,052	
<b>2021</b>	\$182,922	\$95,483	\$0	\$5,971	\$284,377	\$130,354	\$154,023	\$9,291	\$0	\$162,116	\$325,430	
<b>2022</b>	\$219,208	\$167,075	\$17,018	\$9,930	\$413,231	\$227,278	\$185,953	\$9,477	\$0	\$162,116	\$357,546	
<b>2023</b>	\$224,377	\$172,535	\$17,533	\$10,262	\$424,707	\$235,093	\$189,615	\$9,667	\$0	\$162,116	\$361,398	
<b>2024</b>	\$229,952	\$175,223	\$17,592	\$10,344	\$433,111	\$238,443	\$194,668	\$9,860	\$0	\$162,116	\$366,644	
<b>2025</b>	\$234,982	\$174,337	\$17,196	\$10,150	\$436,665	\$235,622	\$201,043	\$10,057	\$0	\$162,116	\$373,216	
<b>2026</b>	\$239,746	\$175,929	\$17,365	\$10,276	\$443,315	\$238,763	\$204,551	\$10,258	\$0	\$162,116	\$376,926	
<b>2027</b>	\$244,668	\$178,295	\$17,382	\$10,324	\$450,669	\$242,446	\$208,223	\$10,464	\$0	\$162,116	\$380,802	
<b>2028</b>	\$249,377	\$172,764	\$16,695	\$9,958	\$448,793	\$236,054	\$212,739	\$10,673	\$0	\$162,116	\$385,528	
<b>2029</b>	\$255,555	\$184,113	\$17,642	\$10,554	\$467,865	\$248,923	\$218,942	\$10,886	\$0	\$162,116	\$391,944	
<b>2030</b>	\$260,260	\$188,174	\$18,046	\$10,831	\$477,311	\$253,975	\$223,336	\$11,104	\$0	\$162,116	\$396,556	
<b>2031</b>	\$266,325	\$190,229	\$18,079	\$10,882	\$485,514	\$255,858	\$229,656	\$11,326	\$0	\$162,116	\$403,098	
<b>2032</b>	\$273,235	\$195,232	\$18,325	\$11,061	\$497,853	\$263,983	\$233,870	\$11,553	\$0	\$162,116	\$407,539	
<b>2033</b>	\$279,807	\$192,626	\$17,922	\$10,858	\$501,213	\$260,317	\$240,895	\$11,784	\$0	\$162,116	\$414,795	
<b>2034</b>	\$280,959	\$187,408	\$17,209	\$10,469	\$496,044	\$248,041	\$248,003	\$12,019	\$0	\$162,116	\$422,138	
<b>2035</b>	\$288,922	\$194,911	\$17,740	\$10,816	\$512,390	\$258,207	\$254,183	\$12,260	\$0	\$162,116	\$428,559	
<b>2036</b>	\$296,765	\$206,715	\$18,631	\$11,392	\$533,503	\$273,174	\$260,329	\$12,505	\$0	\$162,116	\$434,950	
<b>2037</b>	\$305,578	\$213,835	\$19,064	\$11,678	\$550,155	\$283,084	\$267,071	\$12,755	\$0	\$162,116	\$441,942	
<b>2038</b>	\$313,852	\$215,652	\$19,031	\$11,679	\$560,213	\$288,181	\$272,032	\$13,010	\$0	\$162,116	\$447,158	
<b>2039</b>	\$322,948	\$217,888	\$19,017	\$11,689	\$571,542	\$295,437	\$276,105	\$13,270	\$0	\$162,116	\$451,491	
<b>2040</b>	\$331,933	\$224,672	\$19,402	\$11,932	\$587,940	\$306,507	\$281,433	\$13,536	\$0	\$162,116	\$457,085	
<b>CPW (2014\$):</b>												
<b>2015-2040</b>	\$1,585,094	\$1,086,491	\$88,717	\$63,400	\$2,823,701	\$1,471,359	\$1,352,343	\$70,246	\$519,015	\$1,092,718	\$3,034,322	<== \$3,120,720
<b>End-Effects</b>	\$475,562	\$321,889	\$27,798	\$17,095	\$842,345	\$439,134	\$403,211	\$19,393	\$0	\$108,956	\$531,559	
<b>TOTAL</b>	\$2,060,656	\$1,408,380	\$116,515	\$80,495	\$3,666,046	\$1,910,493	\$1,755,553	\$89,639	\$519,015	\$1,201,674	\$3,565,881	<== \$3,652,279
<b>CC vs ML Before End Effects</b>	(\$456,566)	(\$479,654)	(\$382,482)	(\$66,419)	(\$1,385,121)	(\$1,281,092)	(\$104,029)	(\$128,589)	\$519,015	(\$2,760)	\$283,637	<== \$370,035
<b>End Effect Difference</b>	\$0	\$12,453	(\$106,056)	(\$8,315)	(\$101,918)	(\$139,077)	\$37,159	(\$23,606)	\$0	\$63,047	\$76,600	
<b>CC vs ML12</b>	(\$456,566)	(\$467,201)	(\$488,538)	(\$74,734)	(\$1,487,039)	(\$1,420,169)	(\$66,870)	(\$152,195)	\$519,015	\$60,287	\$360,237	<== \$446,636

Values that have been corrected are denoted by:  

As shown on original Exhibit JFT-D2==> \$605,413 \$446,636

Mitchell Portfolio										
(1)	(2)	(3)	(4)	(5)=(1)thru(4)	(6)	(7)=(5)-(6)	(8)	(9)	(10)=(7)+(8)+(9)	
Load Cost	Fuel Costs Inclu. Fuel Handling	Emission Costs and Consumables	VOM and Start Cost	Production Cost	Less: Market Revenue	Total Production and Load Costs, Net	FOM	Transfer Value Carrying Charges incl. Ongoing Capital	Total Fixed & Variable Costs	
<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	
2015	\$126,957	\$102,943	\$8,644	\$9,676	\$248,220	\$159,860	\$88,360	\$20,782	\$84,957	\$194,099
2016	\$150,965	\$130,844	\$10,805	\$11,431	\$304,045	\$219,573	\$84,472	\$17,031	\$86,771	\$188,274
2017	\$161,845	\$154,031	\$11,928	\$12,488	\$340,291	\$244,953	\$95,338	\$12,135	\$88,928	\$196,402
2018	\$165,209	\$145,903	\$11,636	\$12,123	\$334,872	\$235,622	\$99,250	\$20,125	\$96,044	\$215,419
2019	\$168,453	\$155,538	\$12,466	\$12,357	\$348,814	\$246,660	\$102,154	\$24,436	\$105,252	\$231,842
2020	\$175,201	\$169,102	\$13,591	\$13,413	\$371,308	\$264,643	\$106,665	\$12,452	\$106,168	\$225,284
2021	\$182,922	\$160,068	\$13,301	\$12,977	\$369,268	\$260,090	\$109,178	\$26,457	\$110,820	\$246,454
2022	\$219,208	\$150,744	\$74,456	\$12,483	\$456,891	\$287,847	\$169,044	\$22,020	\$114,220	\$305,284
2023	\$224,377	\$164,025	\$79,678	\$13,488	\$481,569	\$308,043	\$173,526	\$13,587	\$114,852	\$301,965
2024	\$229,952	\$152,393	\$73,481	\$12,824	\$468,651	\$285,720	\$182,931	\$19,403	\$117,252	\$319,586
2025	\$234,982	\$163,084	\$78,796	\$13,325	\$490,187	\$309,809	\$180,378	\$19,282	\$119,712	\$319,372
2026	\$239,746	\$174,040	\$83,105	\$14,295	\$511,185	\$326,710	\$184,475	\$19,387	\$122,234	\$326,097
2027	\$244,668	\$164,234	\$78,461	\$13,591	\$500,953	\$312,736	\$188,217	\$20,805	\$124,818	\$333,841
2028	\$249,377	\$170,952	\$82,153	\$14,232	\$516,713	\$326,226	\$190,487	\$20,993	\$127,467	\$338,948
2029	\$255,555	\$189,295	\$90,139	\$15,330	\$550,319	\$355,318	\$195,001	\$20,599	\$130,183	\$345,783
2030	\$260,260	\$175,658	\$84,020	\$14,709	\$534,647	\$333,509	\$201,138	\$22,324	\$132,966	\$356,428
2031	\$266,325	\$180,769	\$86,160	\$14,949	\$548,203	\$345,348	\$202,855	\$22,778	\$135,819	\$361,452
2032	\$273,235	\$199,979	\$94,182	\$16,440	\$583,835	\$378,245	\$205,590	\$22,423	\$138,743	\$366,756
2033	\$279,807	\$179,515	\$82,123	\$15,010	\$556,453	\$335,065	\$221,388	\$25,104	\$141,740	\$388,232
2034	\$280,959	\$194,367	\$86,966	\$15,581	\$577,872	\$352,016	\$225,857	\$25,214	\$144,812	\$395,883
2035	\$288,922	\$202,652	\$89,518	\$16,907	\$598,000	\$364,766	\$233,234	\$25,745	\$147,961	\$406,940
2036	\$296,765	\$203,358	\$89,528	\$16,581	\$606,232	\$368,598	\$237,634	\$26,690	\$150,544	\$414,867
2037	\$305,578	\$202,810	\$88,854	\$16,595	\$613,838	\$372,118	\$241,720	\$27,709	\$152,132	\$421,561
2038	\$313,852	\$219,736	\$95,807	\$17,692	\$647,087	\$403,562	\$243,525	\$27,632	\$152,783	\$423,940
2039	\$322,948	\$207,948	\$90,327	\$17,177	\$638,401	\$390,643	\$247,758	\$29,496	\$147,840	\$425,094
2040	\$331,933	\$215,980	\$93,427	\$17,736	\$659,077	\$403,580	\$255,497	\$30,012	\$67,959	\$353,468
CPW (2014\$):										
2015-2040	\$2,041,660	\$1,566,144	\$471,199	\$129,819	\$4,208,822	\$2,752,450	\$1,456,371	\$198,835	\$1,095,478	\$2,750,685
End-Effects	<del>\$475,562</del>	<del>\$309,436</del>	<del>\$133,854</del>	<del>\$25,411</del>	<del>\$944,263</del>	<del>\$578,211</del>	<del>\$366,052</del>	<del>\$42,999</del>	<del>\$45,909</del>	<del>\$454,959</del>
TOTAL	\$2,517,222	\$1,875,581	\$605,052	\$155,229	\$5,153,084	\$3,330,661	\$1,822,423	\$241,834	\$1,141,387	\$3,205,644

**PUBLIC SERVICE COMMISSION  
OF WEST VIRGINIA  
CHARLESTON**

**CASE NO. 14-0546-E-PC**

**APPALACHIAN POWER COMPANY and  
WHEELING POWER COMPANY both dba  
AMERICAN ELECTRIC POWER,**  
Petition for acquisition of Mitchell plant  
by Wheeling Power Company.

**CERTIFICATE OF SERVICE**

I, William C. Porth, counsel for Appalachian Power Company and Wheeling Power Company, do hereby certify that true copies of the foregoing corrected exhibit were served by hand delivery or first-class U.S. Mail on this 17<sup>th</sup> day of July, 2014, addressed to the following:

Wendy Braswell, Esquire  
Public Service Commission  
201 Brooks Street  
Charleston, West Virginia 25301  
*Counsel for  
Staff of West Virginia  
Public Service Commission*

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

Tom White, Esquire  
Consumer Advocate Division  
7<sup>th</sup> Floor, Union Building  
723 Kanawha Blvd., East  
Charleston, WV 25301  
*Counsel for  
Consumer Advocate Division*

Susan J. Riggs, Esquire  
Keith Fisher, Esquire  
Spilman Thomas & Battle, PLLC  
300 Kanawha Blvd., East  
Charleston, WV 25301  
*Counsel for  
West Virginia Energy Users Group*

Damon E. Xenopoulos, Esquire  
Brickfield, Burchette, Ritts & Stone, PC  
1025 Thomas Jefferson St., NW  
8<sup>th</sup> Floor – West Tower  
Washington, DC 20007  
*Counsel for  
Steel of West Virginia, Inc.*

Charles K. Gould, Esquire  
Thomas E. Scarr, Esquire  
Jenkins Fenstermaker, PLLC  
325 8<sup>th</sup> Street, 2<sup>nd</sup> Floor  
Huntington, WV 25701  
*Counsel for  
Steel of West Virginia, Inc*

William V. DePaulo, Esquire  
179 Summers St., Suite 232  
Charleston, WV 25301  
*Counsel for  
West Virginia Citizen Action Group*

Emmett Pepper, Esquire  
West Virginia Citizen Action Group  
1500 Dixie Street  
Charleston, WV 25311  
*Counsel for  
West Virginia Citizen Action Group*

Zachary M. Fabish, Esquire  
The Sierra Club  
50 F Street, NW, 8<sup>th</sup> Floor  
Washington, DC 20001  
*Counsel for*  
*The Sierra Club*

Mike Becher, Esquire  
Appalachian Mountain Advocates  
P.O. Box 507  
Lewisburg, WV 24901  
*Counsel for*  
*The Sierra Club*

Kevin Ellis, Esquire  
PO Box 3231  
Charleston, WV 25332  
*Counsel for WVONGA*

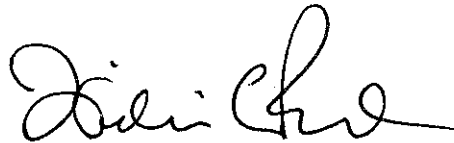
James Van Nostrand, Esq.  
WVU College of Law  
PO Box 6130  
Morgantown, WV 26506  
*Consultant for Consumer Advocate*  
*Division*

Vincent Trivelli, Esquire  
178 Chancery Row  
Morgantown, WV 26505  
*Counsel for*  
*WV State Building & Construction*  
*Trades Council, AFL-CIO*

Stephen J. Baron  
J. Kennedy & Associates, Inc.  
570 Colonial Park Drive, Suite 305  
Roswell, GA 30075  
*Consultant for WVEUG*

James Richard (Rick) Hornby  
Synapse Energy Economics, Inc.  
485 Massachusetts Avenue, Suite 2  
Cambridge, MA 02139  
*Consultant for Consumer Advocate*  
*Division*

Billy Jack Gregg  
Universal Consulting  
P.O. Box 107  
Hurricane, WV 25526  
*Consultant for Consumer Advocate*  
*Division*



---

William C. Porth (WV State Bar ID No. 2943)