

part 1

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ENDLESS ENERGY

American Electric Power
1951 F Cary Street, Suite 1100
Richmond, Virginia 23219
AEP.com

March 31, 2023

By Hand

PUBLIC VERSION

The Honorable Bernard J. Logan, Clerk
State Corporation Commission
Document Control Center, First Floor
1300 East Main Street
Richmond, Virginia 23219

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**Application of Appalachian Power Company
For a 2023 triennial review of its base rates, terms and
conditions pursuant to § 56-585.1 of the Code of Virginia
Case No. PUR-2023-00002**

2023 MAR 31 P 12:48

RECEIVED
STATE CORPORATION COMMISSION

Dear Mr. Logan:

Please find enclosed for filing, pursuant to the Rules of the State Corporation Commission, in the above-referenced case an original and 12 copies of Appalachian Power Company's Public Application for a triennial review pursuant to § 56-585.1 of the Code of Virginia, consisting of eight Volumes. Volumes 7 and 8 contain Schedules 29 and 40, accordingly, pursuant to 20 VAC 5-204-10 I, only one unbound, original copy of each volume is being provided for filing. The required copies of these volumes are being provided under separate cover to the appropriate members of Commission Staff.

An unbound original and 15 bound copies of a separate Confidential Supplement, which contains all confidential information included in the Company's Application, are being filed under seal under separate cover. A Motion for Protective Ruling is being filed under separate cover.

Sincerely,

Noelle J. Coates

Enclosures

cc: William H. Chambliss, Esq.
James R. Bacha, Esq.
C. Meade Browder, Jr., Esq.

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION**

APPLICATION OF

APPALACHIAN POWER COMPANY

CASE NO. PUR-2023-00002

**For a 2023 triennial review of its base rates,
terms and conditions pursuant to § 56-585.1
of the Code of Virginia**

APPLICATION AND DIRECT TESTIMONY

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FILED: MARCH 31, 2023

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STATE CORPORATION COMMISSION**

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Application

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

APPLICATION OF

APPALACHIAN POWER COMPANY

CASE NO. PUR-2023-00002

For a 2023 triennial review of its base rates,
terms and conditions pursuant to § 56-585.1
of the Code of Virginia

APPLICATION

Pursuant to the Code of Virginia and the State Corporation Commission's ("Commission") Rules Governing Utility Rate Applications and Annual Informational Filings of Investor-Owned Electric Utilities (the "Rate Case Rules"),¹ Appalachian Power Company ("Appalachian" or "Company") files this Application seeking the Commission's review of Appalachian's rates and terms and conditions for the provision of services.² The Code requires the Commission to enter a final order on this Application within eight months from its filing (by November 30, 2023), with any revisions in rates to take effect not more than sixty days after the order (by January 29, 2024).³

This proceeding entails, among other things, determinations by the Commission regarding: (i) Appalachian's cost of service and earnings during the three successive twelve-month periods ending December 31, 2022 (the "Earnings Test Period"); (ii) whether prospective

¹ 20 VAC 5-204-5 *et seq.*

² Va. Code § 56.585.1 A 3 ("Each such utility shall make a triennial filing by March 31 of every third year, with such filings commencing for a Phase I Utility in 2020."). The Code defines Phase I Utility as an "investor-owned incumbent electric utility that was, as of July 1, 1999, not bound by a rate case settlement adopted by the Commission that extended in its application beyond January 1, 2002." *Id.* § 56-585.1 A 1. Appalachian is such a utility.

³ Va. Code § 56.585.1 A 8 d (2021).

changes to Appalachian's rates for generation and distribution services are necessary; and (iii) the Company's prospective fair rate of return on common equity ("ROE"). The Company's request in this Application is based strictly on the framework set forth in the Virginia Code.

As further described in the Application, and as supported by the evidence, an increase to Appalachian's rates is necessary for the Company to continue providing safe and reliable service at just and reasonable rates to its customers over the coming years. The requested rate increase is the result of numerous factors, including increases to the Company's distribution operations and maintenance ("O&M") expenses for vegetation management; an increase in the Company's ROE, from 9.2% to 10.6% to attract capital investments and maintain its financial integrity in the challenging economic conditions; an increase to depreciation rates for the Company's facilities; and deferred recovery of expenses for major storm costs. As a result of these factors—as well as increases to other necessary costs that Appalachian reasonably and prudently incurs to provide safe and reliable service—the Company seeks approval to increase base rate revenues by approximately \$212.6 million, which represents a 14.3% increase in revenues.

The Company understands that its rate request comes at a time when many economic factors are increasing the costs of living for the Company's customers. The Company is also bearing similar cost increases that impact its ability to continue to provide safe and reliable service to customers. Although an increase to Appalachian's rates is necessary in this proceeding, the Company agrees to work with the Commission and interested parties to help balance competing interests to the extent possible.

I. THE APPLICANT

Appalachian is a Virginia public service corporation serving approximately 542,000 customers in Virginia and maintaining an office at 1051 East Cary Street, Suite 1100, Richmond, Virginia 23219. The Company is an incumbent electric utility as defined in the Virginia Electric

Utility Regulation Act (“Act”).⁴ The Commission’s last review of the Company’s rates, terms and conditions was conducted in 2020, with a final order entered November 24, 2020,⁵ later revised on remand from the Supreme Court of Virginia on December 21, 2022.⁶ The contact information for Appalachian’s attorneys is stated at the end of this Application.

II. WITNESSES IN SUPPORT OF THE APPLICATION

Appalachian provides the direct testimony of the following witnesses in support of the Application:

- **Aaron D. Walker**, President and Chief Operating Officer, Appalachian. Mr. Walker provides an overview of the Company’s filing, recognizing the economic conditions that both the Company and its customers currently face, and describes how the Company has evolved since the 2020 Triennial Review. Mr. Walker also discusses the importance of spending appropriate funds on distribution reliability measures, such as vegetation management; addresses Appalachian’s efforts to attract economic development to its service territory; and provides examples of the Company’s efforts to contribute to the communities where it operates.
- **William K. Castle**, Director of Regulatory Services VA/TN, Appalachian. Mr. Castle discusses the Company’s earned return during the Earnings Test Period; the Company’s requested increase in rates; its assumptions regarding the useful life of the Amos generating unit; and recovery of certain historical costs.
- **A. Wayne Allen**, Accounting Senior Manager, American Electric Power Service Corporation (“AEPSC”). Mr. Allen sponsors many of the Company’s earnings test adjustments. He also sponsors many of the Company’s proposed ratemaking adjustments and filing schedules.
- **Jason A. Cash**, Director of Regulatory Accounting Services, AEPSC. Mr. Cash proposes and supports the calculation of two sets of revised depreciation accrual rates for the Company’s electric plant in service at December 31, 2022. Mr. Cash also explains Appalachian’s need to update its production plant depreciation rates, and

⁴ See *id.* § 56-576.

⁵ Final Order, *Application of Appalachian Power Company for a triennial review of its base rates, terms and conditions pursuant to § 56-585.1*, Case No. PUR-2020-00015 (Nov. 24, 2020) (“2020 Final Order”).

⁶ Order on Remand, *Application of Appalachian Power Company for a triennial review of its base rates, terms and conditions pursuant to § 56-585.1*, Case No. PUR-2020-00015 (Dec. 21, 2022) (“Final Remand Order”).

proposes updated depreciation rates for the Company's Transmission, Distribution, and General property due to changes in mortality characteristics and net salvage estimates since Appalachian's last approved depreciation study.

- **Jessica M. Criss**, Tax Manager, AEPSC. Ms. Criss sponsors state and federal tax information for certain Rate Case Rule Schedules. Ms. Criss sponsors Appalachian's tax-related earnings test adjustments for 2020, 2021, and 2022, and tax-related ratemaking adjustments.
- **Jaclyn N. Cost**, Regulatory Consultant Principal, AEPSC. Ms. Cost sponsors the jurisdictional and functional cost-of-service studies as well as the underlying calculations. She sponsors Rate Case Schedules 2020, 2021, 2022 40A – Earnings Test Jurisdictional and Functional Cost-of-Service Studies and Schedule 40B – Per Books and Adjusted Jurisdictional and Functional Cost-of-Service Study.
- **Michael M. Spaeth**, Manager, Regulatory Pricing and Analysis, AEPSC. Mr. Spaeth sponsors the Company's class cost-of-service study for the Company's Virginia retail jurisdiction, as well as the underlying calculations.
- **Katharine I. Walsh**, Director, Regulatory Pricing and Analysis, AEPSC. Ms. Walsh supports certain revenue and operating expense adjustments to Schedules 40A and 40B; and supports the Company's overall proposed rate design as well as Schedules 41, 42, and 43. In addition, Ms. Walsh supports certain rate design changes and the Company's proposed waiver of the basic service charge for certain low-income customers.
- **Michael J. Zwick**, Vice President of Generating Assets, Appalachian. Mr. Zwick describes Appalachian's generation fleet, including changes to its composition and capabilities since the 2020 Triennial Review and the availability and performance of the Company's generation units. Mr. Zwick also discusses Appalachian's total company non-fuel generation O&M expenses and total company generation capital expenses during the Earnings Test Period. He also supports a proposed ratemaking adjustment to the Company's test-year non-labor generation O&M.
- **Jason E. Baker**, Vice President Distribution Operations, Appalachian. Mr. Baker describes Appalachian's distribution system in its Virginia service territory as well as the types of projects and programs used to maintain the Company's distribution infrastructure. Mr. Baker also discusses Appalachian's levels of distribution capital investment and O&M expenses during the triennial period and discusses the need for additional O&M to maintain the test-year level of distribution service activities. Additionally, Mr. Baker explains Appalachian's need for increased levels of vegetation management investment to promote service reliability. Finally, Mr. Baker provides updates on the status and realized operational benefits of Appalachian's deployment of AMI meters.
- **Whitney B. Czelusniak**, Economic and Business Development Manager, Appalachian. Ms. Czelusniak presents and explains Appalachian's proposed changes to its Economic

Development Rider. Ms. Czelusniak also discusses market trends for new economic development projects.

- **Timothy S. Lyons**, Partner, ScottMadden, Inc. Mr. Lyons supports the Company's lead-lag study.
- **Kimberly K. Kaiser**, Director of Compensation, AEPSC. Ms. Kaiser discusses the AEP system's total compensation philosophy and the necessity of short-term and long-term incentive compensation programs to retain a market-competitive workforce.
- **Hallie L. Long**, Regulatory Consultant, VA/TN, Appalachian. Ms. Long sponsors proposed changes to the Terms and Conditions of APCO's tariffs and certain rate schedules. Ms. Long also sponsors Schedule 47 - Total Aggregated Revenues and Consumer Price Index.
- **Brian T. Lysiak**, Accounting, Senior Manager, AEPSC. Mr. Lysiak discusses the appropriateness of the affiliate costs incurred by Appalachian for services provided by AEPSC.
- **Patrick L. Baryenbruch**, President, Baryenbruch & Company, LLC. Mr. Baryenbruch presents and explains the necessity and reasonableness of AEPSC's services and charges to Appalachian during the Triennial Period.
- **Kimberly K. Chilcote**, Coal Procurement Manager, AEPSC. Ms. Chilcote supports the calculation of coal inventory levels to be reflected in prospective rates and explains why the total inventory cost has increased compared to the level approved in the 2020 Triennial Review. Ms. Chilcote also testifies on the reasonableness of Appalachian's coal purchasing decisions and inventory levels during the Earnings Test Period.
- **Alex E. Vaughan**, Managing Director of Renewables and Fuel Strategy, AEPSC. Mr. Vaughan discusses the OVEC Inter-Company Power Agreement and supports the market analysis required by the Commission in Case No. PUE-2011-00058.⁷ He also describes changes to the Cogeneration and/or Small Power Production Service rate schedule.
- **Franz D. Messner**, Managing Director of Corporate Finance, AEPSC. Mr. Messner sponsors the Company's capital structure and cost of capital for ratemaking purposes, exclusive of the cost of common equity.

⁷ Order Granting Approval, *Application of Appalachian Power Company For consent to and approval of an extension and modification of an existing Amended and Restated Inter-Company Power Agreement with Ohio Valley Electric Corporation and other affiliates pursuant to Chapter 4 of Title 56 of the Code of Virginia*, Case No. PUE-2011-00058, 2011 S.C.C. Ann. Rep. 509 (Aug. 3, 2011).

- *Adrien M. McKenzie*, President, Financial Concepts and Applications, Inc. Mr. McKenzie supports the Company's requested ROE of 10.6% and discusses the reasonableness of the Company's capital structure.

III. APPLICABLE STATUTORY AUTHORITY

Under Virginia Code Section 56-585.1 A 1, "reviews for a Phase I Utility will be on a triennial basis with subsequent proceedings utilizing the three successive 12-month test periods ending December 31 immediately preceding the year in which such review proceeding is conducted." The Commission last conducted a triennial review of Appalachian's earnings and rates in 2020. Accordingly, the Commission is required to conduct a review of Appalachian's earnings for 2020, 2021, and 2022 in this proceeding.

A. Section 56-585.1 A 8

Section 56-585.1 A 8 a of the Act includes parameters for the Commission's review of the Company's range of earnings during a triennial review proceeding such as this. The Act establishes a 140-basis point band of earnings that ranges from 70 basis points above a previously authorized ROE to 70 basis points below that ROE (the "ROE band"). If Appalachian has earned "more than 70 basis points below a fair combined rate of return on its generation and distribution services" during the Earnings Test Period, the Code states that "the Commission shall order increases to [Appalachian's] rates necessary to provide the opportunity to fully recover the costs of providing [Appalachian's] services and to earn not less than such fair combined rate of return, using the most recently ended 12-month test period as the basis for determining the amount of the rate increase necessary."⁸ Thus, if the Company earned below the bottom of the ROE band, the Commission shall increase rates such that the Company has an

⁸ Va. Code § 56-585.1 A 8 a (2021).

opportunity to recover the costs that it incurs to provide electric service to its customers going forward.

Section 56-585.1 A 8 also addresses the recovery of specific categories of costs “not proposed for recovery under any other subdivision of this subsection, as recorded per books by the utility for financial reporting purposes and accrued against income,” including “costs associated with severe weather events.” Such costs “shall be deemed to have been recovered from customers through rates for generation and distribution services in effect during the test periods under review unless such costs, individually or in the aggregate, together with [Appalachian’s] other costs, revenues, and investments to be recovered through rates for generation and distribution services, result in [Appalachian’s] earned return on its generation and distribution services for the combined test periods under review to fall more than . . . 70 basis points below the fair combined rate of return.” To the extent these costs cause the earned return to fall more than 70 basis points below Appalachian’s authorized return, “the Commission shall . . . authorize deferred recovery of such costs and allow the utility to amortize and recover such deferred costs over future periods as determined by the Commission.”

B. Section 56-585.1 A 2 g

Section 56-585.1 A 2 g states that if Appalachian’s combined earned return is below its authorized return, “whether or not such combined return is within 70 basis points of the return as so determined,” Appalachian may request that the Commission approve “an increase in rates in accordance with the provisions of subdivision 8 a as if it had earned more than 70 basis points below a fair combined rate of return, and such proceeding shall otherwise be conducted in accordance with the provisions of this section.” In the 2020 Triennial Review, the Commission

confirmed that Section 56-585.1 A 2 g “allows the utility to request an increase in rates if the historical earned return is less than the authorized return by *any* amount.”⁹

IV. EARNINGS TEST RESULTS AND REQUESTED REVENUE REQUIREMENT

A. Earnings Test Results

The ROE band for the analysis of the Earnings Test Period is based on an ROE of 9.20%, which is the return authorized by the Commission in Appalachian’s 2020 Triennial Review. As supported by the Company’s witnesses, the Company earned a return of 5.39% on its common equity during the Earnings Test Period, which is the equivalent of over \$124 million in pre-tax earnings below 8.5%, the bottom of Appalachian’s authorized ROE band for the Earnings Test Period. As Company witness Allen testifies, the individual test year Virginia jurisdictional earnings test results were a 6.49% earned ROE for 2020, a 6.77 % earned ROE for 2021, and a 3.13% earned ROE for 2022.

B. Requested Revenue Requirement and Reallocation

The Company requests approval to implement retail base generation and distribution rates that are designed to effect an overall increase in the Company’s revenues of approximately \$212.6 million over revenues from current base rates. This is a 14.3% increase to overall revenues. The requested increase, as described by Company witness Walsh, includes a \$5.4 million increase to the generation function and a \$207.2 million increase to the distribution function.

⁹ Order on Reconsideration at p. 4, n.8, *Application of Appalachian Power Company for a triennial review of its base rates, terms and conditions pursuant to § 56-585.1*, Case No. PUR-2020-00015 (Mar. 26, 2021) (emphasis in original).

To mitigate the effects of the rate request, the Company proposes to eliminate the basic service charge for low-income customers, which for these purposes the Company defines as customers who receive assistance from one or more state agency. The Company's current residential basic service charge is \$7.96/month. The Company's proposal greatly reduces the increase requested in this Application for those customers. Under this proposal, a low-income customer using 400 kWh/month will see their bills decrease when the rates take effect, with the coincident cessation of Rider R.C.R.

V. ISSUES TO BE RESOLVED

The Company's Application is comprised of the testimony of numerous witnesses, exhibits, and filing schedules. Below, the Company highlights some of the issues raised through the Application that will need to be resolved in this proceeding.

1. Request for Rate Increase

The Company seeks a rate increase under Section 56-585.1 A 8 a because its earned return of 5.39% during the Earnings Test Period is more than 70 basis points below the Company's authorized return of 9.2%.¹⁰ Specifically, the Company requests approval to implement retail base generation and distribution rates that are designed to effect an overall increase in the Company's base rate revenues of approximately \$212.6 million over revenues from current base rates. Even if the Commission finds that the Company's earnings were less than 70 basis points below its authorized return, the Company requests that the Commission grant the Company's requested rate increase under Section 56-585.1 A 2 g.

¹⁰ 2020 Final Order at 28.

2. Return on Common Equity

The return on common equity capital proposed in this Application is governed by the provisions of Section 56-585.1. Company witness McKenzie establishes that the appropriate rate of return on the Company's equity capital is 10.6%. This rate of return, which Mr. McKenzie calculated in accordance with the methodology set forth in Section 56-585.1, reflects the investment risks facing the Company and the need for financial integrity, and ensures that the Company will be competitive with its peers as it seeks to attract and retain capital over the coming years.

3. Updated Depreciation Rates

Company witness Cash sponsors Appalachian's depreciation study, which supports approval of depreciation rates that will result in an annual increase in depreciation expenses. The changes in depreciation rates reflect changes in investment, average service lives, and the net salvage values for each function.

4. Vegetation Management O&M

The Company seeks to increase distribution O&M expenses by \$47.8 million to allow it to improve its vegetation management program. Vegetation management is critical to maintaining the reliability of the Company's distribution system and serving its Virginia customers. As Company witness Baker explains, Appalachian's proposal for an increased level of vegetation management funds should improve the reliability of targeted circuits and reflects higher costs of materials and labor. The requested increase will allow Appalachian to restore its annual management of rights-of-way miles to pre-2020 levels and target the worst-performing circuits on the Company's system. The conditions present in Appalachian's service territory require a substantial amount of tree pruning and removal to prevent or reduce outages. Increased

vegetation management funding reflects not only higher contractor costs but also additional funds to achieve improved reliability for customers.

5. Federal Tax Obligations

As a result of the Inflation Reduction Act of 2022, starting in 2023 Appalachian is subject to a federal Corporate Alternative Minimum Tax (“CAMT”), which is a 15% alternative minimum tax based on the Company’s adjusted financial statement income. As discussed by Company witness Criss, the CAMT is expected to increase the Company’s tax obligations in future rate years. The Company proposes an adjustment to increase federal tax expense in the cost of service to reflect the CAMT. In addition, the Company requests (1) authority to establish a regulatory liability for the credit that will offset future tax obligations, which is supported by Ms. Criss, and (2) deferral authority to ensure that the Company only collects its actual tax obligations from customers, which is supported by Mr. Allen.

VI. RATE DESIGN

The Company’s current base rates reflect the functional allocation between its generation and distribution functions as well as the allocation between the Company’s various customer classes as approved by the Commission in 2010.¹¹ Accordingly, the rates proposed by the Company reflect updates to both the functional and class allocations to reflect the current costs of serving the Company’s customer classes. Moreover, the Virginia Code allows Appalachian to propose adjustments to its tariffs that are revenue-neutral to the utility, even if the Commission does not order a change to Appalachian’s base rates.¹² Accordingly, while a rate increase is fully

¹¹ Although the Commission approved an increase in the Company’s rates in the Final Remand Order, this increase did not include approval of any change in the functional allocation in those rates.

¹² Va. Code § 56-585.1 A 3.

supported by this Application, even if the Commission finds that it should not increase the Company's rates, the Company nevertheless requests that the Commission approve revised rates to reflect the changes in the underlying costs since 2010.

Further, as explained above, the Company proposes to eliminate the basic service charge for certain qualifying low-income customers. The Company has defined low-income customers as those who have qualified to participate in certain state-sponsored financial assistance programs. Compared to current bills, these customers will realize an actual bill savings of \$7.96 per month, or approximately \$96 a year, associated with the basic service charge. The Company anticipates that the basic service charge waiver will apply to 7% of residential customers and will result in an approximate \$3 million decrease in revenue collection on an annual basis. At the same time, the Company proposes a modest increase of \$0.54 to the basic service charge for all other residential customers. This increase is designed to be revenue-neutral when combined with the estimated level of customers who will be eligible for the customer charge waiver.

Additionally, Appalachian proposes to incorporate Schedule MGS (Medium General Service) customers into Schedule GS (General Service) and eliminate Schedule MGS from the Company's standard service tariff. Although the threshold criteria for the two rate schedules are identical, Schedule GS is designed to meet the needs of low, intermediate, and high load factor general service customers, whereas Schedule MGS is intended for low load factor customers only. As explained by Company witness Walsh, the Company analyzed bill impacts under numerous iterations of Schedules MGS and GS and determined that the option proposed in Ms. Walsh's testimony results in the most equitable treatment across all customers.

VII. RATEMAKING ADJUSTMENTS

The ratemaking adjustments, based on 2022 as the test year and using 2024 as the rate year, and their respective sponsors are listed in the testimony of Company witness Allen. In general, and as appropriate, the Company complied with the Commission's directives in prior biennial or triennial reviews regarding going-forward adjustments.

VIII. REQUEST FOR CONFIDENTIAL TREATMENT

As the Application contains confidential information, and in anticipation of requests for production of confidential information, the Company is separately filing a Motion for Protective Ruling, including a proposed Protective Ruling, pursuant to Rate Case Rule 20 VAC 5-204-10 F and Commission Rules of Practice and Procedure Rules 5 VAC 5-20-110 and 5 VAC 5-20-170.

IX. COMPLIANCE WITH RATE CASE RULES

The Company's Application and filing follow the applicable requirements contained in the Rate Case Rules, subject to the requests for waivers granted by the Commission in its March 6, 2023 Order Granting Waiver. Specifically, the Commission granted the Company's request for waiver of the requirement in 20 VAC 5-204-90 that the Company file as part of Schedule 33 information about the costs of individual outages. Thus, the Schedule 33 sponsored by Company witness Zwick was prepared in accordance with the protocol developed by the Company and Staff in Case No. PUE-2009-00030. The Company has prepared the prescribed schedules specified in the Rate Case Rules.

Appalachian will serve a copy of the information required in 20 VAC 5-204-10 A and B upon the attorney and chairman of the board of supervisors of each county and upon the mayor or manager and the attorney of every city and town in its service territory, accompanied by a statement that a copy of the complete application may be obtained at no cost by making a request orally or in writing to William K. Castle, Director of Regulatory Services VA/TN, Appalachian

Power Company, Three James Center, Suite 1100, 1051 E. Cary Street, Richmond, VA 23219, pursuant to 20 VAC 5-204-10 J. Appalachian will also serve a copy of its complete application upon the Division of Consumer Counsel of the Office of the Attorney General of Virginia.

WHEREFORE Appalachian Power Company respectfully requests that the State Corporation Commission docket this matter and schedule the proceeding for hearing, and approve: 1) the revenue requirement requested in and supported by this Application; 2) a return on common equity of 10.6 percent; 3) Appalachian's proposed new depreciation rates; 4) the proposed rate design changes; 5) the Company's proposed changes to the Terms and Conditions and other provisions of its tariffs; and 6) the Company's proposed ratemaking adjustments, as well as resolve any other issues set forth in this Application; and grant any other relief the Commission finds appropriate.

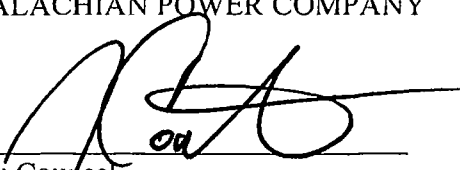
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Respectfully submitted,

APPALACHIAN POWER COMPANY

March 31, 2023

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CERTIFICATE OF SERVICE

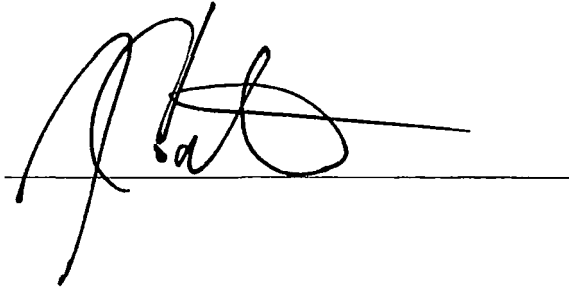
I hereby certify that on this 31st day of March 2023 a true copy of the foregoing Application was delivered by hand, electronic mail or mailed, first-class, postage prepaid, to the following:

Confidential Version:

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Raymond L. Doggett, Jr., Esq.
Kati K. Dean, Esq.
Andrew F. Major, Esq.
Office of General Counsel
State Corporation Commission
1300 East Main Street
Richmond, Virginia 23219

Public Version:

C. Meade Browder, Jr., Esq.
Division of Consumer Counsel
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202 N. Ninth Street
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A handwritten signature in black ink, appearing to be "C. Meade Browder, Jr.", is written over a horizontal line.

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Glossary

Glossary of Terms - Case No. PUR-2023-00002

2014 Biennial Review	Commission Case No. PUE-2014-00026
2014 Final Order	2014 S.C.C. Ann. Rep. 392 (Nov. 26, 2014)
2014 Order on Reconsideration	2015 S.C.C. Ann. Rep. 207 (Feb. 3, 2015)
2020 Triennial Review	Commission Case No. PUR-2020-00015
2020 Final Order	2020 S.C.C. Ann. Rep. 421 (Nov. 24, 2020)
2020 Reconsideration Order	2020 S.C.C. Ann. Rep. 435 (Dec. 15, 2020)
2022 IRP	Commission Case No. PUR-2022-00051
2022 Supreme Court Decision	Opinion, <i>Appalachian Power Co. v. State Corp. Commission</i> , Record No. 210391 (Va. Aug. 18, 2022)
Initial Remand Order	Order Initiating Remand Proceeding, PUR-2020-00015 (Aug. 22, 2022)
Final Remand Order	Order on Remand, Commission Case No. PUR-2020-00015 (Dec. 21, 2022)
2021 E-RAC Order	2021 S.C.C. Ann. Rep. 330 (Aug. 23, 2021)
2022 E-RAC Order	Final Order, Commission Case No. PUR-2022-00001 (Nov. 21, 2022)
AEP	American Electric Power Company, Inc.
AEPSC	American Electric Power Service Corporation
AMI	Advanced Metering Infrastructure
APCo or Company	Appalachian Power Company
CCOS	Class Cost of Service Study
Code	Code of Virginia
Commission or SCC	The Virginia State Corporation Commission
CWC	Cash working capital
CWIP	Construction Work in Progress
Earnings Test Period	The three successive 12-month periods from January 1, 2020 through December 31, 2022
EPA	U.S. Environmental Protection Agency
FERC	Federal Energy Regulatory Commission
FGD	Flue Gas Desulfurization
FRR	Fixed Resource Requirement Plan
FRR OAD	Fixed-Resource Requirement Open Access Distribution
G-RAC	Generation Rate Adjustment Clause
I&M	Indiana & Michigan Power Company
ICPA	Inter-Company Power Agreement between OVEC and utilities
IRP	Integrated Resource Plan
KPCo	Kentucky Power Company
kW	Kilowatt
kWh	Kilowatt-hour
MW	Megawatt
MWh	Megawatt-hour

NO _x	Nitrogen Oxide
O&M	Operations and Maintenance
OAD	Open Access Distribution
OPCo	Ohio Power Company
OVEC	Ohio Valley Electric Corporation
PJM	PJM Interconnection LLC
PURPA	Public Utility Policies Act of 1978
PSO	Public Service Company of Oklahoma
QF	Qualifying Facility under PURPA
RAC	Rate Adjustment Clause
Rate Case Rules	The State Corporation Commission's Rules Governing Utility Rate Applications and Annual Informational Filings, 20 VAC 5-204-10, <i>et seq.</i>
Regulation Act	Virginia Electric Utility Regulation Act, Va. Code §§ 56-576 – 596.3
SCR	Selective Catalytic Reduction
SO ₂	Sulfur Dioxide
Staff	State Corporation Commission Staff
SWEPCO	Southwestern Electric Power Company
T&Cs	Terms and Conditions
TCJA	Tax Cuts and Jobs Act
TRR	Tax Rate Reduction Rider
WPCo	Wheeling Power Company
WVPSC	Public Service Commission of West Virginia