

**PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON**

At a session of the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 26th day of November 2025.

CASE NO. 25-0702-E-P

BLACK DIAMOND POWER COMPANY

Application for a Consolidated Purchased Power Surcharge.

COMMISSION ORDER

The Commission requires that current consolidated purchased power surcharge rates remain in effect until further Order.

BACKGROUND

On August 1, 2025, Black Diamond Power Company (Black Diamond) filed its Application for a Consolidated Purchased Power Surcharge (Application) effective December 1, 2025. By Commission Order issued March 11, 2014 in Case No. 12-1559-E-GI, the Commission established an annual review mechanism for purchased power costs incurred by Black Diamond. By that Order, the Commission established a unified annual proceeding under which Black Diamond would file the above-mentioned application to determine prospective consolidated power surcharge rates necessary to recover its purchased power costs. This process provides a true-up mechanism whereby over and under recoveries are credited or charged in future rates.

Black Diamond requested a consolidated purchased power surcharge of \$0.1584715 (an increase of \$0.0133333), effective December 1, 2025, which will result in a total annual increase in revenue of approximately \$643,614. Black Diamond has accumulated a total under-recovery balance of \$1,241,894 for its consolidated purchased power costs for the period June 2024 to May 2025. Under the proposed rates residential customers will receive an increase in their monthly bills of approximately \$11.12 or 6.97 percent, based on average monthly usage of 834 kilowatt hours (Kwh).¹ Black Diamond included the direct testimony of Dixie L. Kellmeyer in its Application.

¹ Application at 1, August 1, 2025.

On September 8, 2025, Commission Staff (Staff) filed an Initial Joint Staff Memorandum recommending that Black Diamond be required to provide notice of the proceeding, that Staff continues to support the proposed procedural schedule filed on August 12, 2025, and that Staff will continue with its review and make timely filings.

On September 25, 2025, the Commission entered an Order granting intervenor status to Appalachian Power Company (APCo), setting a procedural schedule, and requiring Black Diamond to publish notice of the filing, public comment hearings, and evidentiary hearing.

The Commission held a public comment hearing in Clay, West Virginia, on October 14, 2025. Ten customers of Black Diamond gave public comment of erratic bills even though usage seemed to remain the same from month to month, inability to reach customer service representatives with billing questions, aged equipment, and frequent outages.

On October 15, 2025, the Clay County Commission filed a letter requesting that the Commission take immediate action to investigate the concerns of Black Diamond customers.

On October 21, 2025, the Commission held a public comment hearing in Mullens, West Virginia. Twenty-six people, including Senator Brian Helton, Senator Rollan Roberts, Mayor Ralph Sallie, Mayor Alan Mills, and twenty-two customers spoke of similar issues to those expressed during the public comment hearing in Clay. Additionally, the City Manager for Mullens, Krystal Wallace, spoke about Black Diamond owing months of B&O and utility tax payments.

The Commission held an evidentiary hearing on October 31, 2025. Dixie Kellmeyer developed the proposed surcharge increase for Black Diamond and testified to how she calculated that proposed increase. Stephen Browning testified on the lack of money by Black Diamond to pay bills such as those owed to Mullens and a lack of understanding as to billing concerns from customers. During the hearing, counsel for Black Diamond advised the Commission that notice of the Application, public comment hearings, and evidentiary hearing had not been published. John Scalzo testified for APCo and Roger Estep testified for Staff.

On November 19, 2025, Black Diamond filed affidavits of publication providing proof of publication in The Charleston Gazette-Mail on November 1 and 8, 2025, The Register-Herald on November 5, 2025, and The Clay County Free Press on November 6, 2025.

DISCUSSION

Shortly after Black Diamond filed this Application, Staff filed a petition requesting that the Commission initiate a general investigation into the acts and practices of Black Diamond. The Commission initiated a general investigation, Case No. 25-0810-E-GI, and ordered Black Diamond to file corrected reliability reports by December 1, 2025. Staff analysis of the corrected reliability reports is due January 15, 2026, with recommendations on the full investigation by Staff due on or before April 15, 2026. In addition to the general investigation and the complaints received during public comment hearings, the Commission has received forty-four letters objecting to the proposed rate increase, with many of the objectors having similar issues to those heard in the public comment hearings.

Given the concerns raised by customers and Commission Staff and the pending general investigation, the Commission declines to modify rates for Black Diamond at this time. The Commission will further consider Black Diamond's rates in conjunction with the ongoing General Investigation. The current surcharge rates should remain in effect until further Commission Order and Black Diamond should continue paying APCo based on the percentages determined in Black Diamond's last finalized purchased power surcharge adjustment, Case No. 24-0687-E-P. This case will remain open, pending further investigation of Black Diamond in Case No. 25-0810-E-GI and further order in the present case.

FINDINGS OF FACT

1. Black Diamond requested a rate increase effective December 1, 2025.
2. The Commission initiated a General Investigation into Black Diamond's acts and practices.

CONCLUSION OF LAW

Because the Commission has received numerous customer complaints about the acts and practices of Black Diamond and a general investigation on that subject is underway, Black Diamond's current surcharge rates should remain in effect until further order of this Commission.

ORDER

IT IS THEREFORE ORDERED that the current consolidated purchased power surcharge should remain in effect for Black Diamond Power Company until further Commission Order.

IT IS FURTHER ORDERED that Black Diamond Power Company should continue to reimburse Appalachian Power Company for purchased power at the revenue allocation percentage of 77.36 percent.

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

A True Copy, Teste,

A handwritten signature in blue ink that reads "Karen Buckley". The signature is written in a cursive style.

Karen Buckley, Executive Secretary

SMS/pkb
250702ca

Public Service Commission of West Virginia

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November 26, 2025

Do not mail Letter - only place in case file.

Service via email

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RE: Case No. 25-0702-E-P
Black Diamond Power Company

Dear Messrs. Hanna and Fisher:

All parties in this case have provided the Executive Secretary with their email address. The Commission Order issued today was served by email on the above-listed parties.

Documents submitted to the Public Service Commission of West Virginia may be 1) uploaded to its public website, 2) subject to public disclosure under the West Virginia Freedom of Information Act, and/or 3) subject to disclosure under the West Virginia Open Governmental Proceedings Act. Do not submit personal information with your filings. The Commission is not responsible for confidential or personal information included with your submission. A list of personal information is available here: http://www.psc.state.wv.us/Privacy_Policy/WhatisPII.htm

If you have provided an email address you will automatically receive notifications as documents are filed in this proceeding. The email notifications allow recipients to view a document within an hour from the time the filing is processed. If you have not provided your email address, please send an email to caseinfo@psc.state.wv.us and state the case number in the email subject field.

Sincerely,

A handwritten signature in blue ink that reads "Karen Buckley".

Karen Buckley
Executive Secretary

KB/al