

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Independent Market Monitor for PJM)	Docket No. EL17-22-000
)	
v.)	
American Electric Power Service Corporation)	
)	

**ANSWER AND MOTION FOR LEAVE TO ANSWER
OF THE INDEPENDENT MARKET MONITOR FOR PJM**

Pursuant to Rules 212 and 213 of the Commission’s Rules and Regulations,¹ Monitoring Analytics, LLC, acting in its capacity as the Independent Market Monitor for PJM² (“Market Monitor”), submits this answer to the answer submitted on December 9, 2016, by American Electric Power Service Corporation (“AEP”) to the complaint filed by the Market Monitor initiating this proceeding. AEP raises several misplaced and irrelevant arguments to excuse its refusal to cooperate with the Market Monitor’s request. AEP does not refute the Market Monitor’s claim that its request has met the criteria that actually apply to such requests. PJM filed comments on December 16, 2016, that echo some of the arguments raised by AEP and fail for the same reasons. Accordingly, the Market Monitor’s petition should be granted and AEP should be directed to provide the requested information.

¹ 18 CFR §§ 385.212 & 385.213 (2015).

² Capitalized terms used herein and not otherwise defined have the meaning used in the PJM Open Access Transmission Tariff (“OATT”) or the PJM Operating Agreement (“OA”).

I. ANSWER

A. AEP Does Not Refute the Market Monitor's Claim That the Market Monitor Has Met the Criteria Applicable to Its Information Request.

The Market Monitor requested, pursuant to Section V.B.1 of Attachment M to the OATT, that AEP provide data on Variable Operation and Maintenance costs ("VOM"). Consistent with the applicable criteria in Section V.B.1, the Market Monitor made a determination that additional information from AEP is required in order to accomplish the objectives of the PJM Market Monitoring Plan. Such determination was reasonable because the Plan directs the Market Monitor to review offers for market power concerns.³ The Market Monitor explained that it needs the information because it cannot assess the correct level of AEP's cost-based offers without the requested supporting information from AEP. The Market Monitor explained that the information is not available from an alternative source.

AEP does not dispute whether the Market Monitor has met any of these criteria, the only necessary criteria.

B. AEP's Responding Arguments Have No Merit.

AEP claims (at 10–11) that the Market Monitor fails to specify the basis for this petition. The basis for the petition is Section V.B.2 of Attachment M to the OATT, which provides for the Market Monitor to petition the Commission for "an order that the information is necessary and directing its production." This is only the second petition that has been filed under Section V.B.2.⁴ The purpose of Section V.B.2 is to provide a means for the Market Monitor to obtain the information that it needs to perform its function. The Commission has accepted the petition and determined to process it under Rule 206. The

³ OATT Attachment M § IV.E-1 and Attachment M–Appendix § II.A.2.

⁴ See Docket No. ER11-42-000.

Market Monitor has provided information consistent with Rule 206 and sufficient for the Commission to grant the relief requested. The Market Monitor will provide any additional information that the Commission determines is necessary to support a petition submitted under Section V.B.2.

AEP argues (at 3) that the Market Monitor does not need the information. Section V.B.1 does not require agreement from AEP that the information is needed to support an information request.

AEP argues that the request is unreasonable (at 8–9) because the burden of production “outweighs any conceivable benefit to the market.” It is implausible that AEP does not have readily at hand the data necessary to support its VOM calculation which is included in its offers in the energy market. (If no data exists supporting its VOM calculation, then AEP should so admit.) However, even if a request did impose some burden, Section V.B.1 does not require any showing of benefits to the market or an evaluation of such benefits versus burdens. Section V.B.1 instead requires that the Market Monitor reasonably determine that the information is needed to accomplish the objectives of the plan.

AEP makes reference (at 5–6, 9–11) to the Market Monitor’s dispute with PJM over their respective roles in reviews of fuel cost policies. PJM filed comments that link the request for information to the dispute over roles in the review of fuel cost policies. The requested data on VOM is not a component of a fuel cost policy and is not relevant to the Market Monitor’s review of fuel cost policies. The Market Monitor has made that clear to AEP.

AEP’s arguments (at 7–8) presume that an alleged rule violation or exercise of market power is necessary to support an information request. The presumption is false. Section V.B.1 includes no such requirement.

AEP’s arguments supporting its refusal to provide data supporting its VOM calculation are flawed, misplaced, irrelevant, have no merit and should be rejected.

II. MOTION FOR LEAVE TO ANSWER

The Commission's Rules of Practice and Procedure, 18 CFR § 385.213(a)(2), do not permit answers to answers or protests unless otherwise ordered by the decisional authority. The Commission has made exceptions, however, where an answer clarifies the issues or assists in creating a complete record.⁵ In this answer, the Market Monitor provides the Commission with information useful to the Commission's decision making process and which provides a more complete record. Accordingly, the Market Monitor respectfully requests that this answer be permitted.

⁵ See, e.g., *PJM Interconnection, L.L.C.*, 119 FERC ¶61,318 at P 36 (2007) (accepted answer to answer that "provided information that assisted ... decision-making process"); *California Independent System Operator Corporation*, 110 FERC ¶ 61,007 (2005) (answer to answer permitted to assist Commission in decision-making process); *New Power Company v. PJM Interconnection, L.L.C.*, 98 FERC ¶ 61,208 (2002) (answer accepted to provide new factual and legal material to assist the Commission in decision-making process); *N.Y. Independent System Operator, Inc.*, 121 FERC ¶61,112 at P 4 (2007) (answer to protest accepted because it provided information that assisted the Commission in its decision-making process).

III. CONCLUSION

The Market Monitor respectfully requests that the Commission afford due consideration to this answer as the Commission resolves the issues raised in this proceeding.

Respectfully submitted,



Jeffrey W. Mayes

Joseph E. Bowring
Independent Market Monitor for PJM
President
Monitoring Analytics, LLC
2621 Van Buren Avenue, Suite 160
Valley Forge Corporate Center
Eagleville, Pennsylvania 19403
(610) 271-8051
joseph.bowring@monitoringanalytics.com

General Counsel
Monitoring Analytics, LLC
2621 Van Buren Avenue, Suite 160
Valley Forge Corporate Center
Eagleville, Pennsylvania 19403
(610) 271-8053
jeffrey.mayes@monitoringanalytics.com

Dated: December 19, 2016

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Eagleville, Pennsylvania,
this 16th day of December, 2016.



Jeffrey W. Mayes

General Counsel

Monitoring Analytics, LLC

2621 Van Buren Avenue, Suite 160

Valley Forge Corporate Center

Eagleville, Pennsylvania 19403

(610) 271-8053

jeffrey.mayes@monitoringanalytics.com