

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY	)	
POWER COMPANY FOR A CERTIFICATE OF	)	
PUBLIC CONVENIENCE AND NECESSITY TO	)	CASE NO.
REBUILD THE ALLEN STATION IN FLOYD	)	2026-00208
COUNTY, KENTUCKY ("ALLEN STATION	)	
REBUILD PROJECT")	)	

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO KENTUCKY POWER COMPANY

Kentucky Power Company (Kentucky Power), pursuant to 807 KAR 5:001, shall file with the Commission an electronic version of the following information. The information requested is due on October 1, 2026. The Commission directs Kentucky Power to the Commission's July 22, 2021 Order in Case No. 2020-00085¹ regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the question to which the response is made and shall include the name of the witness responsible for responding to the questions related to the information provided. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the

¹ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Kentucky Power shall make timely amendment to any prior response if Kentucky Power obtains information that indicates the response was incorrect or incomplete when made or, though correct or complete when made, is now incorrect or incomplete in any material respect.

For any request to which Kentucky Power fails or refuses to furnish all or part of the requested information, Kentucky Power shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied and scanned material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, Kentucky Power shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to the Application, page 6, paragraph 18, which states: "The total estimated cost for Alternative Solution is \$49.7 million, which is more expensive than the Proposed Project." Refer also to the Direct Testimony of Tyler M. Benedum (Benedum Direct Testimony), page 5, which states: "The estimated total cost of the Alternative

Project is \$52.4 million compared to the current estimate of the Proposed Project of \$49.7 million.”

a. Provide the correct estimated cost of the Alternative Solution.

b. Explain the apparent cost estimate inconsistencies between the two referenced portions of the Application that identify the estimated cost of the Alternative Solution as either \$49.7 million or \$52.4 million.

c. Provide an explanation for how Kentucky Power estimated the transmission expense for the Alternative Solution.

d. Provide full cost workpapers for the Proposed Project and the Alternative Solution with a breakdown for all cost components of the correct amount.

2. Refer to the Application, page 4, paragraph 10. Provide a copy of the PJM report issued in the 2026 RTEP-Winter case.

3. Refer to the Application, Exhibit 10, PDF pages 94-95 (October 16, 2020), which states: “Total Estimated Transmission Cost: \$16 M.” Refer also to the Application, Exhibit 10, PDF pages 98 and 102 (October 15, 2021 (page 19), and November 19, 2021 (page 10), baseline slides, respectively), which each state: “Total Transmission Estimated Cost: \$16M.” Refer also to the Application, page 4, paragraph 12, which states: “The total detailed estimate of the Proposed Project cost is approximately \$49.7 million.” As stated above, the transmission cost estimate was approximately \$16 million.

a. Provide a line-item cost reconciliation explaining every component of cost that brings the total from \$16 million to \$49.7 million today, including scope changes, design changes, inflation factors, distribution component additions, and contingency changes.

b. Provide the distribution-component cost separately to understand the split between transmission-allocated costs and distribution costs.

4. Refer to the Application, Exhibit 10, PDF page 99 (October 15, 2021 Reliability Analysis Update (page 20)) and PDF page 103 (November 19, 2021 PJM slide (page 11)), both of which state: "Required In-Service date: 12/1/2026." Refer also to the Application, page 7, paragraph 28, which states that construction is anticipated to begin in Q2 2027 and the planned in-service date is Q2 2028. The proposed in-service date is approximately 18 months after PJM's required in-service date of December 1, 2026. Identify every financial penalty, liquidated damages provision, or compliance obligation that Kentucky Power has incurred or may incur under PJM's tariff for failing to meet the 12/1/2026 required in-service date.

a. Describe the reliability measures Kentucky Power has implemented to maintain system compliance with FERC 715 standards during the delay period, and the costs of those interim measures.

b. Provide all correspondence between American Electric Power (AEP)/Kentucky Power and PJM regarding the delay and any approved modification to the required in-service date.

5. Refer to the Application, Exhibit 10, PDF page 94 (October 16, 2020 Slides (page 25)), which states the proposed solution would rebuild Allen Station "to the northwest of its current footprint utilizing a standard air-insulated substation with equipment raised by 7 feet concrete platforms and control house raised by a 10 feet platform . . . Install five 69 kV 3000A 40 kA circuit breakers in a ring bus (operated at 46kV) configuration with a 13.2 MVAR capacitor bank." Refer also to the Direct Testimony

of Jasmine L. Moore (Moore Direct Testimony), page 6. Refer also to the Application, page 3, paragraph 5, which states the Proposed Project will rebuild the Allen Substation “as a straight bus station with four 69kV circuit breakers (operating at 46kV) and a 17.2 MVAR capacitor bank” at “its current location.”

a. Confirm that the solution PJM designated and the solution now proposed in this application differ in four material respects: bus configuration (ring vs. straight); number of circuit breakers (5 vs. 4); capacitor bank rating (13.2 vs. 17.2 MVAR); and substation location (northwest of footprint vs. current location). If unable to confirm, explain why not.

b. Provide PJM's written concurrence that the revised design — straight bus, four breakers, current location — satisfies the baseline reliability requirements originally identified as requiring the ring bus solution.

c. If PJM has not formally approved the design change, identify the steps Kentucky Power will take to obtain such approval before construction begins.

d. Explain when and why the design was changed from the PJM-approved bus/five-breaker configuration.

6. Refer to the Application, Exhibit 7. Refer also to the Application, page 2, paragraph 4, which describes the existing Allen Substation as “a 46kV Substation consisting of four 46kV breakers, a 46kV 17.2 MVAR capacitor bank, two 46kV circuit switchers, a 20 MVA 46/12kV distribution transformer, and three 12kV circuit breakers.” Exhibit 7 references a “138 kV substation” that “would be named the Dwale 138 kV Substation” if relocated, with “three existing 46 kV transmission lines and one existing 138 kV transmission line” to be routed into the new site; a materially different scope than

the current 46kV rebuild. Exhibit 7, PDF page 42, further states that “approximately 13 feet of fill would be required to raise the existing substation out of the 500-year floodplain,” while the Proposed Project elevates equipment only approximately 8–10 feet.

a. Explain whether Exhibit 7 was prepared for the same substation and project scope as the current Application or for a different planning study.

b. Identify the 138 kV substation referenced in Exhibit 7 and its relationship to the 46 kV substation that is the subject of this Application.

c. If the Proposed Project raises equipment only 8–10 feet, yet the siting study states 13 feet of fill is required to clear the 500-year floodplain, confirm whether the elevated substation equipment will be above or below the 100-year and 500-year floodplain elevations.

9. Refer to the Moore Direct Testimony, page 6, which describes the first rejected alternative as including “five 69kV 3000A 40kA circuit breakers in a ring bus (operated at 46kV) configuration with a 13.2 MVAR capacitor bank.” Refer also to the Application, page 5, paragraph 16, and the Benedum Direct Testimony, page 4, which both describe the same dismissed alternative as installing “six 69kV circuit breakers.” Kentucky Power’s Witnesses Moore and Benedum testify to different numbers of circuit breakers (five vs. six) in describing the identical Dismissed Alternative. Clarify the correct number of circuit breakers that would have been installed under the Dismissed Alternative.

10. Provide the complete engineering specifications for the Dismissed Alternative that evaluates the cost and technical differences between it and the Proposed Project.

11. Refer to the Direct Testimony of Lerah M. Kahn (Kahn Direct Testimony), page 6, which states: "Kentucky Power estimates the annual operating cost will be approximately \$20,500 for general maintenance and inspection."

a. Provide a detailed line-item breakdown of the \$20,500 annual operating and maintenance (O&M) estimate, specifying labor hours, inspection frequency, materials, and any contracted service costs.

b. Provide the current annual O&M expenditure for the existing Allen Substation for comparison.

c. Explain if the \$20,500 estimate includes the cost of maintaining the elevated platforms and flood-control structures, or are those costs captured elsewhere.

d. Provide actual O&M cost data for at least three comparable AEP/Kentucky Power substations rebuilt in the past ten years, by year and substation.

12. Refer to Kahn Direct Testimony, page 6, which states: "The projected additional annual ad valorem taxes resulting from the Proposed Project are expected to total approximately \$953,000."

a. Provide the detailed calculation of the \$953,000 annual ad valorem tax estimate, including the assessed value of the rebuilt substation, the applicable Floyd County property tax millage rate, and whether any state taxes are included.

b. State the 2026 year-to-date and projected total annual ad valorem taxes on the existing Allen Substation and explain the net change.

c. Identify whether these taxes will be recovered through transmission rates (shared across the AEP East zone) or through Kentucky Power distribution rates charged to local customers.

d. Provide the estimated annual ad valorem tax impact per Kentucky Power customer.

13. Refer to the Application, page 4, paragraph 13, which states: “The Proposed Project will be allocated to the AEP East PJM zone based on a 12 CP allocation.” Refer also to Kahn Direct Testimony, page 6, which states the same. The 12 CP (12 Coincident Peak) method allocates baseline project costs across the AEP East zone based on each utility's share of peak load.

a. Provide the most recent 12 CP load shares for each utility in the AEP East PJM zone and show the percentage of the \$49.7 million that will be allocated to Kentucky Power versus other utilities.

b. Provide the dollar amount of the \$49.7 million that Kentucky Power's customers will ultimately bear versus what is passed on to other AEP East utilities.

c. Explain how and when the Kentucky Power-allocated share will appear in customer rates.

d. Estimate the monthly bill impact on an average residential Kentucky Power customer.

14. Refer to the Application, page 8, paragraph 28, which states: “The Company anticipates beginning construction on the Proposed Project during the second quarter of 2027, depending on the outcome and timing of this proceeding.” Refer also to Kahn Direct Testimony, page 5, which states: “Q1 2027: Start of construction.” Explain the apparent inconsistency between the Application indication that construction will begin in Q2 2027, while Kahn's testimony states Q1 2027. Provide the correct anticipated construction start date.

15. Refer to the Application, Exhibit 10, PDF page 91 (July 24, 2019 Slides page 5) which states that circuit breaker CB A has experienced 27 fault operations, circuit breaker CB C has experienced 20 fault operations, circuit breaker CB D has experienced 17 fault operations, and that “the manufacturer recommendation is 10 fault operations during its in-service life.” Refer also to the Application, page 8, paragraph 28, which anticipates construction beginning in Q1/Q2 2027 — approximately 8 years after the safety risk was first identified.

a. Provide the number of fault operations for each circuit breaker by year since 2019.

b. List every interim maintenance action, inspection, or emergency repair performed on circuit breakers A, B, C, and D at Allen Substation between July 2019 and the filing date of this Application, with associated costs.

c. Quantify the financial exposure to Kentucky Power and its customers if one or more of these breakers fails catastrophically before the rebuild is completed in Q4 2028.

d. Explain why the circuit breakers were not replaced on an emergency basis given that all three have operated at more than double the manufacturer's recommended maximum fault operations since at least 2019.


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DATED SEP 16 2026

cc: Parties of Record

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