

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In The Matter Of:

The Application Of Kentucky Power Company For:)	
(1) A Certificate Of Public Convenience And Necessity)	
Authorizing The Company To Close Big Sandy Plant)	Case No. 2015-00152
Coal Ash Impoundment; And (2) For All Other Required)	
Approvals And Relief)	

KENTUCKY POWER COMPANY'S
QUARTERLY STATUS REPORT – SECOND QUARTER 2016

Kentucky Power Company submits its Second Quarter 2016 status report in compliance with Ordering Paragraph No. 3 of the Commission’s Order in Case No. 2015-00152.¹ The report provides a detailed listing of the costs incurred by the Company through June 30, 2016 for the closure of the Big Sandy Plant Coal Ash Impoundment. Consistent with the Settlement Agreement approved by the Commission in Case No. 2014-00396, these costs were deferred as they were incurred and added to the unamortized Big Sandy Retirement Rider (“BSRR”) regulatory asset.

During the quarter ending June 30, 2016, Kentucky Power continued work on engineering and design, permitting, and site preparations. On July 15, 2016, Kentucky Power entered into a general closure construction contract with Entact, LLC. Kentucky Power has authorized \$45.6 million under this contract and has also reserved \$6.4 million for escalation of labor, materials, equipment and any emergent work. The costs incurred during the quarter and the aggregate costs incurred on the project to date are outlined below.

¹ Order, *In the Matter of: The Application Of Kentucky Power Company For: (1) A Certificate Of Public Convenience And Necessity Authorizing The Company To Close The Big Sandy Coal Ash Impoundment; And (2) All Other Required Approvals And Relief* Ky. P.S.C. January 27, 2016).

Item No.	Task	2 nd Q 2016	Project-To-Date	Description Current Quarter
01	General Conditions	\$278,283.98	\$667,926.72	Continued set-up of construction office complex areas and project site, in advance of general construction contractor's mobilization to site
02	Clearing & Grubbing	\$116,388.04	\$463,559.04	Continued clearing and grubbing within limits of disturbance
03	Stripping Topsoil			
04	Excavation		\$290,000.00	
05	Foundation Preparation			
06	Fill			
07	Erosion & Sediment Control	\$75,792.12	\$75,792.12	Installation of erosion and sediment controls and temporary seeding of borrow areas
08	Drainage System			
09	Roads & Parking Area	\$8,245.07	\$113,245.07	Site access and parking
10	Chain Link Fence	\$1,500.00	\$36,300.00	Chain link security fence repairs/modifications
11	Piling			
12	Structural Concrete			
13	Geotextiles			
22	Instrumentation			
26	Geomembrane			
30	Miscellaneous Structures			
36	Demolition, Removals And Alterations			
	CONTRACT AMOUNTS (AS EXPENSED)	\$480,209.21	\$1,646,822.95	
99	Project Management, Engineering & Construction (PMEC)	\$366,880.92	\$780,537.98	Project team management and oversight of project (e.g. planning, engineering, permitting, procurement, site construction management and cost activities); includes plant employees assigned to execute select work scope.
99	Mitigation of Stream Impacts	\$214,252.11	\$848,789.23	Continued outside engineering and permitting in support of permit modification for self-mitigation of stream and wetland impacts
99	Mitigation of Bat Impacts		\$196,607.50	No further mitigation activity needed at this time
99	Borrow Material Processing & Handling			

Item No.	Task	2 nd Q 2016	Project-To-Date	Description Current Quarter
99	Contingency for Construction			
99	Post Closure Care & Monitoring			
99	QA/QC Consultant			
	Owner's Direct Cost Additions	\$581,133.03	\$1,825,934.71	
	Overhead	\$113,764.94	\$327,213.67	Indirect overhead costs associated with this project
	Totals	\$1,175,107.18	\$3,799,971.33	

Respectfully submitted,

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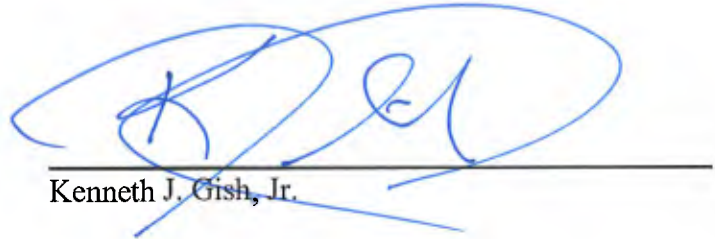
COUNSEL FOR KENTUCKY POWER
 COMPANY

Certificate of Service

A copy of the foregoing was filed using the Public Service Commission of Kentucky's electronic filing service, which will send an e-mail message to:

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this the 15th day of August, 2016.



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