

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In The Matter Of:

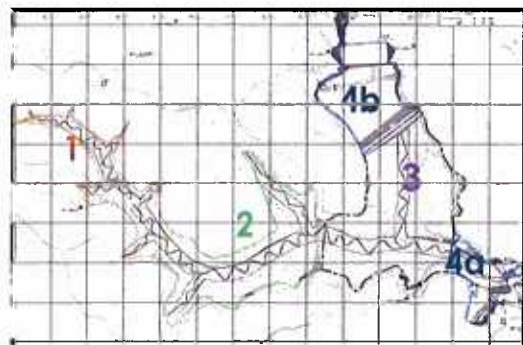
The Application Of Kentucky Power Company For:)	
(1) A Certificate Of Public Convenience And Necessity)	
Authorizing The Company To Close Big Sandy Plant)	Case No. 2015-00152
Coal Ash Impoundment; And (2) For All Other Required)	
Approvals And Relief)	

Kentucky Power Company's Quarterly Status Report
Fourth Quarter 2020

Kentucky Power Company submits its Fourth Quarter 2020 status report in compliance with Ordering Paragraph No. 3 of the Commission's Order in Case No. 2015-00152. The report provides a detailed listing of the costs incurred by the Company during the fourth quarter of 2020 in connection with 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 balance of the Decommissioning Rider regulatory asset. Project substantial completion was delayed from December 2020 to January 2021 due to unfavorable site conditions resulting from 3.63" of precipitation experienced from the end of November through December. Post substantial completion activities remaining to be completed in 2021 include erosion and sediment controls maintenance, erosion repairs, miscellaneous seeding, and water management, until vegetative stabilization is achieved.

During the quarter ending December 2020, Kentucky Power continued ancillary site support, including focused activity to manage storm water and to comply with water discharge permitting requirements. Site support activities during the quarter included: erosion & sediment

control, site haul road and parking maintenance, surface water management and engineering support of construction activity. Several vendors remained engaged during the fourth quarter of 2020 to support water treatment for discharge through the permitted outfall until the geomembrane liner portion of the cover cap system installation completed at the end of November.



Significant construction activity during the period included completing decant structure demolition, cover cap system installation, drainage channels and culvert installations in Phase 4B; clay core removal and riprap placement at the Saddle Dam;

and spillway concrete installation at the Main Dam. Activities remaining to be completed in January 2021 were flow monitoring equipment installation, riprap placement and fencing installation at the Main Dam. The costs incurred during the fourth quarter of 2020, and the aggregated costs on the project to date, are outlined below. Additionally, the table below includes the amounts identified in the June 2015 “Estimate” included in Exhibit JGD-3 to the testimony of Joseph G. DeRuntz in Case No. 2015-00152, as well as the March 2019 “Revised Estimate” submitted in Kentucky Power’s First Quarter 2019 status report.¹

Item No.	Task	June 2015 “Estimate”	March 2019 “Revised Estimate”	4 th Q 2020	Project-To-Date	Description Current Quarter
01	General Conditions	\$4,493,764	\$ 28,392,195	\$ 1,169,373	\$ 28,022,435	Water management, water treatment and monthly project support costs
02	Clearing & Grubbing	\$855,751	\$ 900,116		\$895,757	
03	Stripping Topsoil	\$2,189,274	\$1,845		\$1,845	

¹ As explained in Kentucky Power’s First Quarter 2019 status report and June 26, 2019 filing, and presented in detail at the June 11, 2019 meeting with representatives of the Staff and the Attorney General, the budget for this project was updated to reflect required changes in the project’s means and methods of construction and execution strategy.

Item No.	Task	June 2015 "Estimate"	March 2019 "Revised Estimate"	4 th Q 2020	Project-To-Date	Description Current Quarter
04	Excavation	\$11,452,453	\$ 23,941,800	\$ 734,898	\$ 23,911,321	Excavate, load, haul, and place Main Dam and borrow area material to stabilize Phase 4B subgrade
05	Foundation Preparation	\$252,278	\$ 15,432	\$ 1,250	\$ 15,432	Proof rolling subgrade
06	Fill	\$5,115,613	\$ 3,785,364	\$ 451,135	\$ 3,770,899	Placement of excavated Main Dam and borrow area material as bridge layer to stabilize Phase 4B subgrade
07	Erosion & Sediment Control	\$4,270,174	\$ 3,011,463	\$ 542,665	\$ 2,707,501	Installation and maintenance of erosion and sediment controls as well as seeding
08	Drainage System	\$678,910	\$ 2,968,661	\$ 261,781	\$ 2,852,888	Drainage channel and culvert installations
09	Roads & Parking Area	\$1,394,714	\$ 1,279,280	\$ 26,343	\$ 976,212	Access road maintenance
10	Chain Link Fence	\$79,722	\$162,836		\$40,200	
11	Piling					
12	Structural Concrete	\$1,409,915				
13	Geotextiles	\$89,969	\$ 2,198,394	\$ 144,735	\$ 2,198,394	Installation of cover cap cushion layer
22	Instrumentation	\$239,859	\$ 386,747	\$103,398	\$ 149,934	Monitoring equipment installation
26	Geomembrane	\$9,460,110	\$ 5,950,243	\$ 340,656	\$ 6,000,869	Installation of geomembrane liner
30	Miscellaneous Structures	\$414,333	\$ 3,195,852	\$ 1,407,293	\$ 3,123,178	Main Dam spillway concrete installation
36	Demolition, Removals & Alterations	\$325,912	\$ 411,368	\$ 260,413	\$ 389,937	Decant structure demolition
	CONTRACT AMOUNTS (AS EXPENSED)	\$42,722,752	\$ 76,601,595	\$ 5,443,941	\$ 75,056,803	
99	Project Management, Engineering & Construction (PMEC)	\$2,850,000	\$ 7,935,458	\$ 376,821	\$ 7,802,312	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	\$4,200,000	\$2,998,706	\$ 47,525	\$ 2,871,142	Outside engineering and inspection in support of self-mitigation of stream and wetland impacts.
99	Mitigation of Bat Impacts	\$159,000	\$196,608		\$196,607	
99	Borrow Material Processing &	\$5,115,000	\$48,188		\$48,188	

Item No.	Task	June 2015 "Estimate"	March 2019 "Revised Estimate"	4 th Q 2020	Project-To-Date	Description Current Quarter
	Handling					
99	Contingency for Construction	\$4,100,000	\$ 774,808			
99	Post Closure Care & Monitoring	\$3,180,000	\$3,180,000			
99	QA/QC Consultant		\$ 1,724,184	\$ 194,621	\$ 1,527,297	QA/QC oversight of construction
	Owner's Direct Cost Additions	\$19,604,000	\$ 16,857,951	\$ 618,967	\$ 12,445,547	
	Overhead		\$3,297,334	\$ 164,954	\$ 2,770,012	Indirect overhead costs associated with this project.
	Totals	\$62,326,752	\$ 96,756,880	\$ 6,227,862	\$ 90,272,361	

During the Fourth Quarter 2020, Kentucky Power reduced its projected total cost by \$750,000 from \$97,506,880 to \$96,756,880. Various line items were increased or reduced resulting in the total project cost reduction. The projected cost for Item 01-General Conditions was increased by \$124,171 for additional water management, and water treatment. Item 04-Excavation and Item 06-Fill was increased \$392,114 and \$154,190, respectively, for additional borrow material required to stabilize subgrade and achieve design elevation in Phase 4B. Item 22-Instrumentation was increased \$130,000 due to flume installation required to safely and accurately monitor Main Dam spillway flowrates in accordance with the NPDES permit. Item 99 – Project Management, Engineering & Construction was increased \$149,811 to cover the extended timeline.

Offsetting these increases were the following reductions in projected line item costs. Item 07-Erosion & Sediment (E&S) Controls was reduced \$249,648 due to installed controls performing better than expected. Item 08-Drainage System was reduced \$254,098 due to drainage channel installation actual costs lower than estimated. Miscellaneous changes across

multiple line items resulted in a net reduction of \$44,413. In accordance with construction contingency management best practices, \$1,152,126 was drawn down from Item No. 99-Contingency for Construction.

Respectfully submitted,



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