

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In The Matter Of:

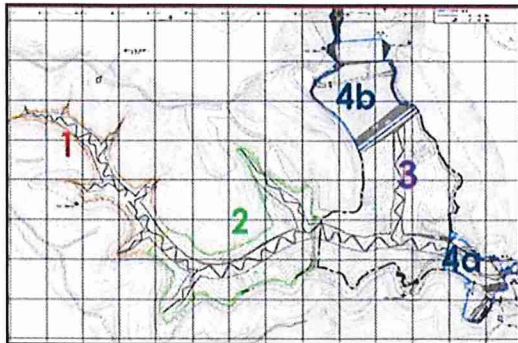
The Application Of Kentucky Power Company For:)	
(1) A Certificate Of Public Convenience And Necessity)	
Authorizing The Company To Close Big Sandy Plant)	Case No. 2015-00152
Coal Ash Impoundment; And (2) For All Other Required)	
Approvals And Relief)	

Kentucky Power Company's Quarterly Status Report
First Quarter 2021

Kentucky Power Company submits its First Quarter 2021 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 first quarter of 2021 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. The project achieved substantial completion January 2021 after being delayed from December 2020 due to unfavorable site conditions. Post substantial completion activities remaining to be completed second quarter 2021 include final grading, stoning of roads, guardrail installation, final site cleanup, erosion and sediment controls maintenance, erosion repairs, miscellaneous seeding, and water management, until vegetative stabilization is achieved.

During the quarter ending March 2021, 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.



Construction activity during the period included flow monitoring equipment installation, riprap placement and fencing installation at the Main Dam. The costs incurred during the first quarter of 2021, 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”	1 st Q 2021	Project-To-Date	Description Current Quarter
01	General Conditions	\$4,493,764	\$28,617,195	\$325,898	\$28,348,334	Water management, water treatment and monthly project support costs
02	Clearing & Grubbing	\$855,751	\$895,757		\$895,757	
03	Stripping Topsoil	\$2,189,274	\$1,845		\$1,845	
04	Excavation	\$11,452,453	\$23,937,750	\$26,428	\$23,937,750	Borrow material for final grading.
05	Foundation Preparation	\$252,278	\$15,432		\$15,432	
06	Fill	\$5,115,613	\$3,782,421	\$11,523	\$3,782,422	Placement of borrow material for final grading.
07	Erosion & Sediment Control	\$4,270,174	\$2,890,461	\$126,288	\$2,833,789	Installation and maintenance of erosion and sediment controls as well as seeding
08	Drainage System	\$678,910	\$2,888,661	\$(42,479)	\$ 2,810,409	Drainage channel and culvert installations
09	Roads & Parking Area	\$1,394,714	\$1,279,280		\$976,212	
10	Chain Link Fence	\$79,722	\$237,836	\$123,200	\$163,400	Main Dam fence installation

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.

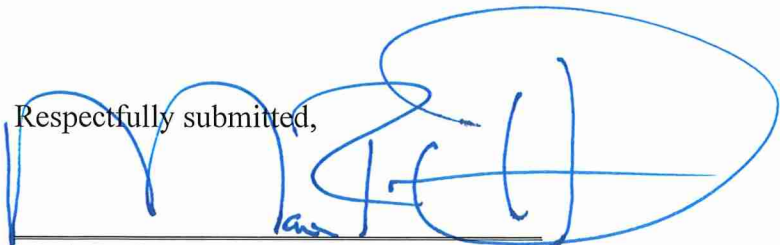
Item No.	Task	June 2015 "Estimate"	March 2019 "Revised Estimate"	1 st Q 2021	Project-To-Date	Description Current Quarter
11	Piling					
12	Structural Concrete	\$1,409,915				
13	Geotextiles	\$89,969	\$2,197,434	\$(960)	\$2,197,434	Material quantity true up
22	Instrumentation	\$239,859	\$416,747	\$144,567	\$400,033 ²	Monitoring equipment installation
26	Geomembrane	\$9,460,110	\$5,989,796	\$(11,073)	\$5,989,796	Material quantity true up
30	Miscellaneous Structures	\$414,333	\$3,235,852	\$9,471	\$3,132,649	Material quantity true up
36	Demolition, Removals & Alterations	\$325,912	\$389,937		\$389,937	
	CONTRACT AMOUNTS (AS EXPENSED)	\$42,722,752	\$ 76,776,403	\$712,864	\$75,875,198	
99	Project Management, Engineering & Construction (PMEC)	\$2,850,000	\$7,935,458	\$184,009	\$7,748,627 ²	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	\$3,063,706	\$50,795	\$3,054,100 ²	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 & Handling	\$5,115,000	\$48,188		\$48,188	
99	Contingency for Construction	\$4,100,000	\$200,000			
99	Post Closure Care & Monitoring	\$3,180,000	\$3,180,000			
99	QA/QC Consultant		\$1,559,184	\$14,614	\$1,541,911	QA/QC oversight of construction
	Owner's Direct Cost Additions	\$19,604,000	\$16,183,143	\$249,418	\$12,589,433	
	Overhead		\$3,297,334	\$100,597	\$2,870,610	Indirect overhead costs associated with this project.
	Totals	\$62,326,752	\$96,256,880	\$1,062,880	\$91,335,241	

² Project-To-Date amounts were reclassified for Item - 22 Instrumentation [\$105,531]; Item - 99 PMEC [(\$237,694)]; and Item - 99 Mitigation of Stream Impacts [\$132,163] from the Quarter Four 2020 report to better reflect the actual type of expenditures incurred. The total estimated cost of the project remains unchanged.

During the First Quarter 2021, Kentucky Power further reduced its projected total cost by \$500,000 from \$96,756,880 to \$96,256,880. Various line items were increased or reduced resulting in the total project cost reduction. The projected cost for Item 01-General Conditions increased by \$225,000 for additional water management, water treatment equipment demobilization, and final site cleanup. Item 10 – Increased \$75,000 to install security fencing around permanent water treatment equipment. Item 99 – Mitigation of Stream Impacts increased \$65,000 due to reconciling engineering costs. Item 30 – Miscellaneous Structures increased \$40,000 due to improvements required to repair damage to the Saddle Dam spillway basin sustained from significant Spring precipitation and snow melt runoff. Item 26 – Geomembrane increased \$39,553 due to end of project material quantity true up. Item 22 increased \$30,000 to complete instrumentation equipment installation.

Offsetting these increases were the following reductions in projected line item costs. Item 99 – QA/QC Consultant reduced \$165,000 due to reconciling engineering costs and final QA/QC effort being lower than estimated. Item 07 – Erosion and Sediment Controls reduced \$121,002 due to installed controls performing better than expected. Item 08 – Drainage Systems decreased \$80,000 due to actual installation cost being lower than estimated. Miscellaneous changes across multiple line items resulted in a net reduction of \$33,743. In accordance with construction contingency management best practices, \$574,808 was drawn down from Item No. 99-Contingency for Construction.

Respectfully submitted,



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