

**COMMONWEALTH OF KENTUCKY**

**BEFORE THE PUBLIC SERVICE COMMISSION**

In The Matter Of:

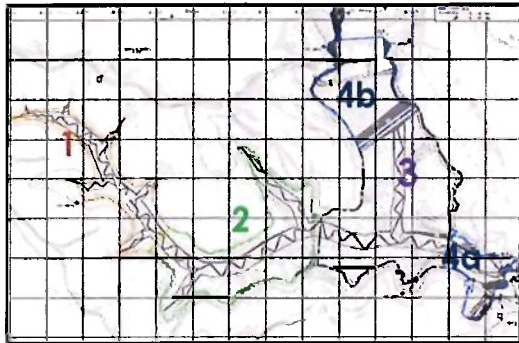
The Application Of Kentucky Power Company For: )  
(1) A Certificate Of Public Convenience And Necessity )  
Authorizing The Company To Close Big Sandy Plant ) Case No. 2015-00152  
Coal Ash Impoundment; And (2) For All Other Required )  
Approvals And Relief )

Kentucky Power Company's Quarterly Status Report  
First Quarter 2020

Kentucky Power Company submits its First 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 first 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. The project remains on schedule for completion in 2020.

During the quarter ending March 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 remain engaged to support water treatment for discharge through the permitted outfall; additional treatment technology remains in place (i.e. sand filters, filter bags, coagulant and flocculent chemical dispensing skids, and an

electrocoagulation & filtration unit) to meet total suspended solids and/or constituent limits for discharge water.



Significant construction activity during the period included grading for Phase 4b subgrade as well as excavating, grading, compacting soil and placing riprap for the Saddle Dam stilling basin. The costs incurred during the quarter and the aggregated costs

incurred 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.<sup>1</sup>

Item No.	Task	June 2015 “Estimate”	March 2019 “Revised Estimate”	1 <sup>st</sup> Q 2020	Project-To-Date	Description Current Quarter
01	General Conditions	\$4,493,764	\$27,721,805	\$2,079,624	\$23,708,520	Water management, water treatment and monthly project support costs
02	Clearing & Grubbing	\$855,751	\$904,116		\$895,757	
03	Stripping Topsoil	\$2,189,274	\$1,845		\$1,845	
04	Excavation	\$11,452,453	\$22,853,438	\$22,392	\$21,300,574	Excavate, load, haul and place borrow material
05	Foundation Preparation	\$252,278	\$15,167		\$12,786	Proof rolling subgrade
06	Fill	\$5,115,613	\$3,631,174	\$498	\$2,772,825	Placement of borrow material as protective cover
07	Erosion & Sediment Control	\$4,270,174	\$3,261,111	\$104,247	\$1,898,733	Installation and maintenance of erosion and sediment controls
08	Drainage System	\$678,910	\$3,222,758	\$540,655	\$2,598,097	Saddle Dam construction
09	Roads & Parking Area	\$1,394,714	\$1,538,027	\$95,950	\$665,399	Perimeter road improvements
10	Chain Link Fence	\$79,722	\$162,836		\$40,200	
11	Piling					

<sup>1</sup> 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.

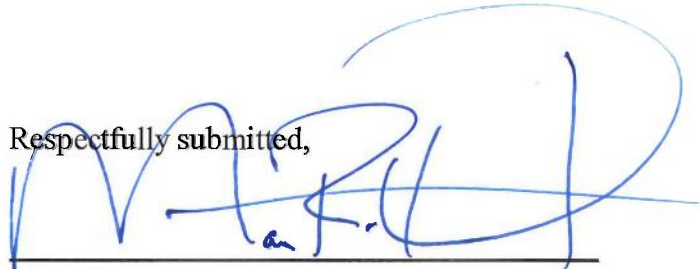
Item No.	Task	June 2015 "Estimate"	March 2019 "Revised Estimate"	1 <sup>st</sup> Q 2020	Project-To-Date	Description Current Quarter
12	Structural Concrete	\$1,409,915				
13	Geotextiles	\$89,969	\$2,139,506	\$69	\$1,687,552	Installation of geotextile cushion layer
22	Instrumentation	\$239,859	\$256,747			
26	Geomembrane	\$9,460,110	\$5,877,563		\$5,472,459	Installation of geomembrane liner
30	Miscellaneous Structures	\$414,333	\$3,191,666			
36	Demolition, Removals & Alterations	\$325,912	\$479,863		\$30,942	
	<b>CONTRACT AMOUNTS (AS EXPENSED)</b>	\$42,722,752	\$75,257,622	\$2,843,435	\$61,116,905	
99	Project Management, Engineering & Construction (PMEC)	\$2,850,000	\$7,785,647	\$296,047	\$6,723,753	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	\$11,160	\$2,741,987	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	\$2,943,570			
99	Post Closure Care & Monitoring	\$3,180,000	\$3,180,000			
99	QA/QC Consultant		\$1,799,205	\$9,506	\$1,054,671	QA/QC oversight of construction
	<b>Owner's Direct Cost Additions</b>	\$19,604,000	\$18,951,924	\$316,713	\$10,765,206	
	<b>Overhead</b>		\$3,297,334	\$127,588	\$2,420,109	Indirect overhead costs associated with this project.
	<b>Totals</b>	\$62,326,752	\$97,506,880	\$3,287,736	\$74,302,220	

During the First Quarter 2020, the project team planned for the upcoming 2020 construction season, reviewed remaining estimated quantities and assessed risk items. The resulting projected cost changes compared to the March 2019 “Revised Estimate” reported Q1 2019 by Item No. and Task are noted below.

Item 01-General Conditions increased by \$1,388,864 for additional water management and treatment. Items 04-Ecavation and 06-Fill increased \$245,217 and \$259,393 respectively for adjustments required to final grades within Phase 4b. Item 08-Drainage increased \$241,643 due primarily to Blaine Creek culvert replacement and drain piping changes. Item 09-Roads & Parking Area increased \$928,115 for perimeter road improvements and side slope stabilization. Items 13-Geotextiles and 26-Geomembrane increased \$223,428 and \$103,288 respectively for adjustments required to final grades within Phase 4b. Item 30-Miscellaneous Structures increased \$640,485 due to design improvement changes to the Main Dam Spillway. Item 36-Demolition, Removals and Alterations increased \$203,810 due to perimeter road abandoned sluice pipe removal. Other increases to miscellaneous items total \$220,861. These increases are offset by reductions to 07-Erosion & Sediment Control of \$808,169, 99-Project Management, Engineering & Construction of \$88,906; 99-QA/QC Consultant \$332,766. Additionally, in accordance with construction contingency management best practices, \$3,225,263 is drawn down from Item No. 99-Contingency for Construction.

All changes occurred within the project total estimated cost that remains at \$97,506,880.

Respectfully submitted,



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