

**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 2017**

Kentucky Power Company submits its Fourth Quarter 2017 status report in compliance with Ordering Paragraph No. 3 of the Commission's Order in Case No. 2015-00152.<sup>1</sup> The report provides a detailed listing of the costs incurred by the Company through December 31, 2017 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 Decommissioning Rider regulatory asset.

The project remains on schedule for completion in 2020. During the quarter ending December 31, 2017, Kentucky Power continued ancillary site support, including focused activity to stay in compliance with water discharge permitting requirements. Site support activities during the quarter included: erosion & sediment control, dust control, site haul road & parking maintenance, surface water management and engineering support of construction activity. Several vendors were engaged to propose treatment options for water discharge through the permitted outfall; limited treatment technology was installed (i.e. weir tanks and filter bags) to improve margins for compliance with total suspended solids in discharge water. Significant

construction activity during the period included excavation, hauling, and placement of ash and borrow material in both the eastern and western areas fly ash pond (i.e. Phase areas 1, 2 & 3) and complete installation of the cap cover system in the far western area of the fly ash pond (i.e. Phase area 1).

The costs incurred during the quarter and the aggregate costs incurred on the project to date are outlined below. Additionally, the Company continues to include the amounts identified in the June 2015 “revised estimate” included in Exhibit JGD-3 to the testimony of Joseph G. Deruntz in Case No. 2015-00152.

Item No.	Task	June 2015 “Revised Estimate”	4 <sup>th</sup> Q 2017	Project-To-Date	Description Current Quarter
01	General Conditions	\$4,493,763.61	\$1,168,983.45	\$6,777,627.35	Water management and monthly project support costs
02	Clearing & Grubbing	\$855,750.98	\$6,388.11	\$859,420.53	Continued clearing and grubbing within limits of disturbance
03	Stripping Topsoil	\$2,189,274.74		\$1,845.00	
04	Excavation	\$11,452,453.23	\$2,452,988.64	\$10,052,664.16	Excavate, load, haul and place ash and excavation of borrow areas
05	Foundation Preparation	\$252,278.42			
06	Fill	\$5,115,613.43	\$385,774.99	\$847,182.19	Placement of borrow material
07	Erosion & Sediment Control	\$4,270,174.39	\$200,817.80	\$417,380.07	Installation and maintenance of erosion and sediment controls
08	Drainage System	\$678,910.29			
09	Roads & Parking Area	\$1,394,713.74		\$324,291.52	
10	Chain Link Fence	\$79,722.15		\$40,200.00	
11	Piling				
12	Structural Concrete	\$1,409,914.53			
13	Geotextiles	\$89,968.52	\$50,557.84	\$1,052,738.37	Installation of geotextiles
22	Instrumentation	\$239,859.36			

<sup>1</sup> 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	June 2015 "Revised Estimate"	4 <sup>th</sup> Q 2017	Project-To-Date	Description Current Quarter
26	Geomembrane	\$9,460,110.00	\$402,317.24	\$3,232,814.39	Installation of geomembrane
30	Miscellaneous Structures	\$414,333.32			
36	Demolition, Removals And Alterations	\$325,912.18			
	<b>CONTRACT AMOUNTS (AS EXPENSED)</b>	\$42,722,752.89	\$4,667,828.07	\$23,606,163.58	
99	Project Management, Engineering & Construction (PMEC)	\$2,850,000.00	\$325,150.60	\$3,424,800.00	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	\$4,200,000.00	\$6,813.61	\$1,118,211.78	Continued outside engineering and permitting in support of permit modification for self-mitigation of stream and wetland impacts
99	Mitigation of Bat Impacts	\$159,000.00		\$196,607.50	
99	Borrow Material Processing & Handling	\$5,115,000.00	\$21,226.50	\$48,187.60	Processing boulders in borrow areas
99	Contingency for Construction	\$4,100,000.00			
99	Post Closure Care & Monitoring	\$3,180,000.00			
99	QA/QC Consultant		\$128,092.57	\$228,380.81	QA/QC oversight of construction
	<b>Owner's Direct Cost Additions</b>	\$19,604,000.00	\$481,283.28	\$5,016,187.69	Indirect overhead costs associated with this project
	Overhead		\$190,821.68	\$1,236,164.88	
	<b>Totals</b>	\$62,326,752.89	\$5,339,933.03	\$29,858,516.15	

Respectfully submitted,

Mark R. Overstreet  
 STITES & HARBISON PLLC  
 421 West Main Street  
 P. O. Box 634  
 Frankfort, Kentucky 40602-0634  
 Telephone: (502) 223-3477

Kenneth J. Gish, Jr.  
 STITES & HARBISON PLLC

250 West Main Street, Suite 2300  
Lexington, Kentucky 40507  
Telephone: (859) 226-2300

COUNSEL FOR KENTUCKY POWER  
COMPANY