

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 2018

Kentucky Power Company submits its First Quarter 2018 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 March 31, 2018 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 March 31, 2018, Kentucky Power continued ancillary site support including focused activity to comply with water discharge permitting requirements. Site support activities performed during the quarter included: erosion and sediment control, site haul road and parking area maintenance, surface water management, and engineering support of construction activity. The Company engaged several vendors to support water treatment for discharge through the permitted outfall. During the first quarter, additional treatment technology was shipped to and/or installed at the site including sand filters, filter bags, coagulant and flocculent chemical dispensing skids, and an

electrocoagulation & filtration unit. These technologies are being utilized to meet total suspended solids and/or constituent limits for discharge water. Significant construction activity during the period included excavation, hauling, and placement of ash and borrow material in the western area of the fly ash pond (Phase areas 2 & 3).

The costs incurred during the quarter and the aggregated 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”	1 st Q 2018	Project-To-Date	Description Current Quarter
01	General Conditions	\$4,493,763.61	\$1,592,370.70	\$8,369,998.05	Water management and monthly project support costs
02	Clearing & Grubbing	\$855,750.98	\$2,670.58	\$862,091.11	Continued clearing and grubbing within limits of disturbance
03	Stripping Topsoil	\$2,189,274.74		\$1,845.00	
04	Excavation	\$11,452,453.23	\$1,671,149.24	\$11,723,813.40	Excavate, load, haul and place ash and excavation of borrow areas
05	Foundation Preparation	\$252,278.42			
06	Fill	\$5,115,613.43	\$93,936.54	\$941,118.73	Placement of borrow material
07	Erosion & Sediment Control	\$4,270,174.39	\$143,606.95	\$560,987.02	Installation and maintenance of erosion and sediment controls
08	Drainage System	\$678,910.29			
09	Roads & Parking Area	\$1,394,713.74	\$942.90	\$325,234.42	Stone for maintenance
10	Chain Link Fence	\$79,722.15		\$40,200.00	
11	Piling				
12	Structural Concrete	\$1,409,914.53			
13	Geotextiles	\$89,968.52	\$1,282.70	\$1,054,021.07	Installation of geotextiles
22	Instrumentation	\$239,859.36			

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	June 2015 "Revised Estimate"	1 st Q 2018	Project-To- Date	Description Current Quarter
26	Geomembrane	\$9,460,110.00	\$5,238.92	\$3,238,053.31	Installation of geomembrane
30	Miscellaneous Structures	\$414,333.32			
36	Demolition, Removals And Alterations	\$325,912.18			
	CONTRACT AMOUNTS (AS EXPENSED)	\$42,722,752.89	\$3,511,198.53	\$27,117,362.11	
99	Project Management, Engineering & Construction (PMEC)	\$2,850,000.00	\$335,367.40	\$3,760,167.40	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	\$130,525.70	\$1,248,737.48	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		\$48,187.60	
99	Contingency for Construction	\$4,100,000.00			
99	Post Closure Care & Monitoring	\$3,180,000.00			
99	QA/QC Consultant		\$27,508.82	\$255,889.63	QA/QC oversight of construction
	Owner's Direct Cost Additions	\$19,604,000.00	\$493,401.92	\$5,509,589.61	
	Overhead		\$90,164.44	\$1,326,329.32	Indirect overhead costs associated with this project
	Totals	\$62,326,752.89	\$4,094,764.89	\$33,953,281.04	

Respectfully submitted,

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