

Kentucky Power Company
KPSC Case No. 2018-00072
Commission Staff's First Set of Data Requests
Dated July 19, 2018

DATA REQUEST

- 1 Refer to the Application, paragraph 15, which provides estimated costs to construct and maintain the proposed transmission line and related infrastructure. Provide a schedule that breaks out the following costs, and include each amount by electric plant account:
 - a. \$8.4 million for transmission line work including right-of-way acquisition;
 - b. \$13.6 million for construction of the Moore Hollow 138 kV Substation;
 - c. \$0.4 million for remote work at the existing Chadwick 138 kV Substation.
 - d. Provide a schedule showing the calculation of the \$158,000 in projected annual *ad valorem* tax.

RESPONSE

- a. Please see KPCO_R_KPSC_1_1a_Attachment 1.pdf for the requested information.
- b. Please see KPCO_R_KPSC_1_1b_Attachment 1.pdf for the requested information.
- c. Please see KPCO_R_KPSC_1_1c_Attachment 1.pdf for the requested information.
- d. Please see KPCO_R_KPSC_1_1d_Attachment 1.pdf for the requested information.

Witnesses: Ranie K. Wohnhas
Michael G. Lasslo

Transmission line work including right-of-way acquisition

<u>Category</u>	<u>Estimated Cost</u>
Labor	\$151,000
Outside Services	\$5,022,000
Material	\$817,000
Fleet	\$20,000
Contingency	\$1,040,000
Grants and Easements	\$1,350,000
Total	\$8,400,000

<u>FERC Account / Plant</u>	<u>Description</u>	<u>Estimated Cost</u>
355	Poles and Fixtures	\$2,207,000
356	Overhead Conductors and Devices	\$2,500,000
354	Towers and Fixtures	\$1,830,000
350	Land and Land Rights	\$1,740,000
357	Underground Conduit	\$120,000
358	Underground Conductors and Devices	\$3,000
Total		\$8,400,000

Constuction of the Moore Hollow 138 kV Substation

<u>Category</u>	<u>Estimated Cost</u>
Labor	\$200,000
Outside Services	\$6,440,000
Material	\$5,100,000
Fleet	\$25,000
Contingency	\$1,580,000
Land and Access	\$255,000
Total	\$13,600,000

<u>FERC Account / Plant</u>	<u>Description</u>	<u>Estimated Cost</u>
352	Structures and Improvements	\$4,340,000
353	Station Equipment	\$8,920,000
350	Land and Land Rights	\$300,000
397	Communication Equipment	\$40,000
Total		\$13,600,000

Remote work at the existing Chadwick 138 kV Substation

<u>Category</u>	<u>Estimated Cost</u>
Labor	\$60,000
Outside Services	\$233,000
Material	\$60,000
Fleet	\$7,000
Contingency	\$40,000
Total	\$400,000

<u>FERC Account / Plant</u>	<u>Description</u>	<u>Estimated Cost</u>
353	Station Equipment	\$400,000
Total		\$400,000

Transmission Project Tax Estimate: Moore Hollow/Chadwick Transmission Line/Substations 3/20/2018

New Substation Investment:	
Total Investment: Moore Hollow Sub	13,600,000 (Manuf Mach)
Total Investment: Chadwick Sub	400,000 (Manuf Mach)
Total Invest	14,000,000
Estimated Tax:	
State of KY	21,000

Line Allocation:		Line Miles:	
Boyd County-Public SD-Cannonsburg FD		2.70	100%
		0.00	0%
		0.00	0%
		0.00	0%
Total		2.70	

New Transmission Line Investment:	
Total Investment: Trans Line	6,700,000 (Tangible)
Total Investment: Trans Line ROW	1,700,000 (Real)
Estimated Tax:	
State of KY	32,224
Boyd County	41,499
Boyd County Public SD	55,188
Cannonsburg FD	8,400
Total	137,311

Property Tax Rates:			
	Tangible	Real	Manuf
State of KY	0.004500	0.001220	0.001500
Boyd County	0.004936	0.004959	-
Boyd County Public SD	0.006570	0.006570	-
Cannonsburg FD	0.001000	0.001000	-

Total Tax for Entire Project Investment	
State of KY	53,200
Boyd County	41,500
Boyd County Public SD	55,200
Cannonsburg FD	8,400
Total	158,300

Final Property Tax Estimate:			
Taxing Authority	New Investment	Add'l Tax:	Net Tax Increase
State of KY		53,200	53,200
Leslie County		41,500	41,500
Perry County		55,200	55,200
Leslie Co Public Sch		8,400	8,400
Total		158,300	158,300

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- 2 State whether any other entities will be required to share in the cost of the proposed project. If so, provide the total amount of shared costs to whom such costs will be allocated, and the amount(s) that will be paid by other entities.

RESPONSE

No other entity will share in the cost of the proposed project.

Witness: Ranie K. Wohnhas

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- 3 Refer to the Application, paragraph 43.
 - a. Kentucky Power states that Alternative D reduces the potential for impacts. Explain in detail to what impacts Kentucky Power is referring.
 - b. Explain if any of the four residences within 250 feet of the Proposed Route will be required to be relocated. If so, explain the procedure for relocation.

RESPONSE

a. The impacts referenced in paragraph 43 of the Application that Alternative D reasonably minimizes include resource impacts associated with the physical presence of the line as well as limitations on land use. The first are those that directly arise from the construction and maintenance of the transmission line. These include the effect of the transmission line on the viewshed, the effect of any disturbances arising from the construction of the transmission line structures and required access roads, including the effect on water resources, wildlife habitat, and sensitive species, as well as the Company's ongoing vegetation management efforts within the right-of-way.

Alternative D is the shortest of the four routes. Due in part to its shorter length, it disturbs less soil and vegetation. It also has the fewest potential impacts on water resources (four streams and no National Wetlands Inventory crossed), wildlife habitat (approximately 14.2 acres of forest cleared), and sensitive species (due to the least amount of wooded habitat affected). Alternative D is also anticipated to require fewer new access roads. Finally, Alternative D crosses fewer steep slopes (53.1 percent) and requires fewer heavy angles greater than 30 degrees than the other three alternatives.

Other impacts involve those directly resulting from the grant of the right-of-way and the consequent limitations on residential, commercial, industrial, and agricultural land uses of the area of the right-of-way. Kentucky Power retains the right to clear and keep the easement area clear of buildings and/or other obstructions together with the right to clear any woody vegetation that may endanger the safe operation of the electric transmission line. The property owner will retain the right to use the easement area for grazing, pasture lands, gardens, cultivated fields, driveways, parking, and bike and walking paths or any other use that is not inconsistent with Kentucky Power's right to construct, operate, or maintain its electric transmission line.

Alternative D minimizes these right-of-way impacts because it is the shortest alternative and crosses the fewest number (13 versus 14, 19 and 17) of parcels. It also has relatively few residences (four versus three, five and seven) within 250 feet of the proposed centerline. All owners of property within the proposed right-of-way have indicated a willingness to negotiate a

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right-of-way agreement. By contrast, there was landowner opposition expressed to the other three alternatives.

Please see Exhibit 21 (the Siting Study) for further information concerning the impacts minimized by Alternative D.

b. No residences will be required to relocate as a result of the construction of the Project. The residences are outside the 100-foot right-of-way and any necessary expanded right-of-way areas.

Witnesses: George T. Reese
 Michael G. Lasslo

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- 4 Refer to the Direct Testimony of Michael G. Lasslo, page 7, regarding the space available in the EastPark Industrial Center. Provide a list of and anticipated load of any additional customers that are interested in locating in the EastPark Industrial Center. Consider this an ongoing request throughout this proceeding.

RESPONSE

Braidy Industries Inc. is now projecting a peak load of 90 MW. This constitutes a 50 percent increase in the projected peak load for Braidy indicated in the Company's application. The Company is unaware at this time of any additional load locating in the EastPark Industrial Center.

Kentucky Power will continue to work with local, regional, and state agencies to promote economic development in the Company's service territory, including the EastPark Industrial Center.

Kentucky Power will supplement this response throughout this proceeding.

Witness: Ranie K. Wohnhas

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- 5 Refer to page 7, paragraph 20 of the Application where it states, "Kentucky Power anticipates acquiring right-of-way for the proposed line that is 100 feet in width (50 feet on each side of the centerline) for the length of the centerline."
- a. Explain whether the entire 100-foot right-of-way will be cleared of vegetation for construction.
 - b. Explain the right-of-way maintenance clearing cycle proposed after construction to ensure reliability.

RESPONSE

- a. The entire 100-foot width will be cleared of woody stem vegetation. Under certain circumstances (unique topographic and/or environmentally sensitive conditions), Kentucky Power may allow compatible, low-growing species to remain in the right-of-way.
- b. AEP Transmission Forestry's vegetation management program employs an integrated vegetation management program utilizing a variety of management techniques that are based upon researched outage histories. Maintenance is not performed on a rigid cycle basis; rather the maintenance technique and schedule is driven by the condition of the vegetation. Using inspection information and various data from other sources, specific transmission lines are identified and prioritized for inclusion in the upcoming year's plan. The lines are further prioritized based on any potential for tree-caused outages, criticality of the line, etc. The range of work within a year may involve management of the vegetation along the entire line or addressing individual locations of concern. Although a cycle-based vegetation management plan will not be used, Kentucky Power estimates that the right-of-way will be maintained on an approximate three-year to six-year cycle.

Witness: Michael G. Lasslo

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6 Provide the construction timeline for the proposed project.

RESPONSE

EastPark Preliminary Construction Schedule – Summary

		Start	End
MP0006422.10 Construction		1/7/2019	6/30/2020
MP0006422.10.2 T-Line Construction			
01LN-001-05	ROW CLEARING	1/7/2019	3/29/2019
01LN-001-10	ACCESS ROADS	3/20/2019	8/9/2019
01LN-001-15	FOUNDATIONS	8/19/2019	1/17/2020
01LN-001-20	STRUCTURE ERECTION	1/27/2020	4/30/2020
01LN-001-25	WIRE PULLING	5/5/2020	6/30/2020
MP0006422.10.1 Station Construction			
01ST-001-005	MOBILIZATION	6/14/2019	6/20/2019
01ST-001-010	GRADING	6/21/2019	9/9/2019
01ST-001-015	FOUNDATIONS	9/10/2019	11/15/2019
01ST-001-020	STEEL ERECTION	11/11/2019	2/7/2020
01ST-001-025	EQUIPMENT INSTALLATION	2/10/2020	5/19/2020
01ST-001-030	TEST & CHECKOUT	4/17/2020	6/30/2020

Witness: Michael G. Lasslo

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7 Provide the web address for the public website established for comments.

RESPONSE

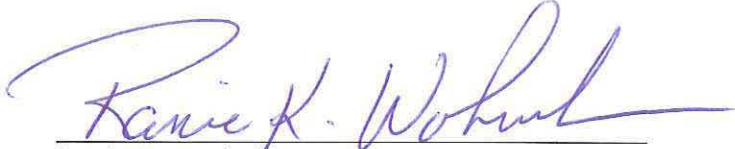
Please see the link below that provides direct access to the website page where comments may be submitted. The website also provides a direct phone number and a named individual to whom comments may be submitted. To date, the Company has only received one comment through the website page.

<https://aeprtransmission.com/kentucky/EastPark/contact-us.php>

Witness: Ranie K. Wohnhas

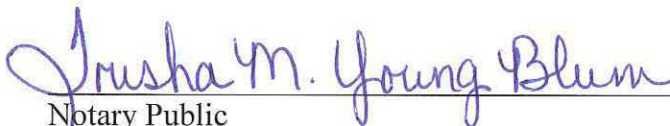
VERIFICATION

The undersigned, Ranie K. Wohnhas, being duly sworn, deposes and says he is the Managing Director of Regulatory & Finance for Kentucky Power, that he has personal knowledge of the matters set forth in the foregoing responses and the information contained therein is true and correct to the best of his information, knowledge, and belief.

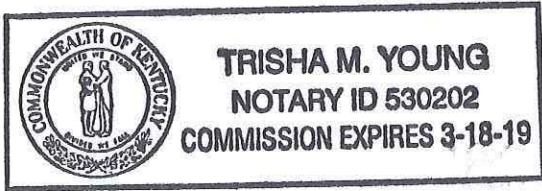

Ranie K. Wohnhas

Commonwealth of Kentucky)
)
County of Boyd) Case No. 2018-00072

Subscribed and sworn before me, a Notary Public, by Ranie K. Wohnhas this
27 day of July, 2018.


Notary Public

My Commission Expires 3-18-19



VERIFICATION

The undersigned, Michael G. Lasslo, being duly sworn, deposes and says he is the Reliability Manager for Kentucky Power, that he has personal knowledge of the matters set forth in the foregoing responses and the information contained therein is true and correct to the best of his information, knowledge, and belief.

Michael G. Lasslo
Michael G. Lasslo

Commonwealth of Kentucky)
) Case No. 2018-00072
County of Perry)

Subscribed and sworn before me, a Notary Public, by Michael G. Lasslo this
25th day of July, 2018.

Ellis R. McKnight
Notary Public

My Commission Expires JUNE 21, 2022



VERIFICATION

The undersigned, George T. Reese, being duly sworn, deposes and says he is the Environmental Director and Assistant Vice President for GAI Consultants, Inc., that he has personal knowledge of the matters set forth in the foregoing responses and the information contained therein is true and correct to the best of his information, knowledge, and belief.



George T. Reese

Commonwealth of Pennsylvania)
)
County of Allegheny)
)
Case No. 2018-00072

Subscribed and sworn before me, a Notary Public, by George T. Reese this 27th day of July, 2018.



Notary Public

My Commission Expires: April 17, 2022

Commonwealth of Pennsylvania - Notary Seal
Donna J. Zeno, Notary Public
Allegheny County
My commission expires April 17, 2022
Commission number 1185072
Member, Pennsylvania Association of Notaries