

Kentucky Power Company
KPSC Case No. 2020-00062
Commission Staff's First Set of Data Requests
Dated October 12, 2020
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DATA REQUEST

- KPSC 1-02** Refer to Kentucky Power's application, page 10, footnote 12, and page 13.
- a. Explain and provide a breakout of the total detailed estimate of the project cost as if Kentucky Power was completing the project in its entirety. Include in the response breakout a distinction of which costs are allocated to Kentucky Power and which are allocated to AEP Kentucky Transmission Company, Inc. (Kentucky Transco). Also, include the estimated ongoing O&M costs for the various components for both companies.
 - b. Explain the rationale for the division in project elements between Kentucky Power and Kentucky Transco.
 - c. Explain how Kentucky Transco will recover the cost of the components of the proposed Kewanee Substation project that it will own.
 - d. Identify all transmission projects that have been constructed and implemented by Kentucky Transco, include in this identification the name of the transmission projects, the detailed components of each of those transmission projects, the date on which those transmission projects went into service, the purpose(s) of each of those transmission projects, and the total cost of each of those transmission projects.

RESPONSE

- a. Kentucky Transco's portion of the project, which includes the installation of five 138 kV circuit breakers and a 28.8 MVAR capacitor bank, would total \$3.8 million. This cost brings the total project cost to \$39.0 million. Total annual O&M expense for the project is estimated to be \$20,000, of which Kentucky Transco's portion would be approximately \$900.
- b. The decisions associated with the scope of work to be performed by Kentucky Power in connection with addressing transmission needs in Kentucky Power's service territory, including the work that is the subject of Case No. 2020-00062, are fact-specific and may vary on a project by project and need by need basis. The Company plans its transmission development in coordination with the AEP Transmission, within the framework of local, siting, operational, and service requirements, NERC rules, and other applicable parameters, as well as PJM's Regional Transmission Expansion Process ("RTEP") planning process. AEPSC and AEP Transmission also have developed project selection guidelines, which are attached as KPCO_R_KPSC_1_2_Attachment1, for use in determining which facilities will be developed by Kentucky Power and which will be developed by AEP Kentucky Transmission Company, Inc.

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Following a review of the project selection guidelines, Kentucky Power and AEP Transmission determined what components were eligible for Transco ownership as part of the Kewanee-Enterprise Park project. The business decision that Kentucky Transco would construct the circuit breakers and capacitor bank was based on capital budget considerations.

c. Kentucky Transco recovers its annual transmission revenue requirement from PJM which collects that revenue requirement from the LSEs in the transmission zones to which Kentucky Transco's transmission revenue requirements are allocated. The capital expenditures and operating costs of projects that are forecasted to be in service during the year are included in the annual transmission revenue requirement.

d. Kentucky Power had not prepared the requested analysis prior to this request, but the Company is in the process of doing so now. The Company has not yet completed the analysis, but it will supplement this response with the requested information as soon as practicable.

December 4, 2020 Supplemental Response

d. Please see KPCO_R_KPSC_1_2_Attachment2 for the requested analysis.

Witness: Nicolas C. Koehler

<u>Kentucky Transmission Company Projects</u>	<u>Project Components</u>	<u>In-Service Date</u>	<u>Project Purpose</u>	<u>Final Cost</u>
Allen Station Fiber Installation	Install transmission communications, protection, and control equipment	11/1/2019	Modernization of communication network	\$202,629
Ashland SC-Chadwick Fiber Installation	Install transmission communications, protection, and control equipment	7/24/2019	Modernization of communication network	\$1,264,245
Ashland 25th Fiber Installation	Install transmission communications, protection, and control equipment	1/26/2018	Modernization of communication network	\$57,252
Ashland-Kingsport Fiber Installation	Install transmission communications, protection, and control equipment	7/18/2019	Modernization of communication network	\$6,546,249
Baker Station Equipment Replacement	Replacement of various station equipment	10/2/2015	Equipment condition, performance and risk	\$12,966,085
Baker Station Spare Equipment	Purchase of various spare equipment	12/6/2018	Operational flexibility and efficiency	\$253,390
Baker Station Transformer Failure	Replacement of 345/138 kV transformer	7/2/2019	Replacement of failed equipment	\$1,141,624
Baker Station Transformer Failure	Relocate transformer between breakers "J" and "J1"	7/19/2019	Operational flexibility and efficiency	\$58,226
Baker Station Circuit Breaker Replacement	Replace 765 kV 4000 A 63 kA circuit breakers (3)	12/6/2018	Equipment condition, performance and risk	\$21,356,428
Baker Station Bus Disconnect Switch	Replace 765 kV Q1 Bus Disconnect Switch	5/10/2019	Equipment condition, performance and risk	\$331,454
Baker Station Circuit Breaker Spare	Purchase spare 765 kV circuit breaker	2/27/2015	Operational flexibility and efficiency	\$1,176,533
Baker Station Transformer	Install new 765/345 kV transformer	6/24/2016	Thermal violation mitigation	\$38,021,786
Baker Station Circuit Breaker Spares	Purchase spare 345 kV circuit breakers (2)	12/1/2017	Operational flexibility and efficiency	\$723,130
Beaver Creek Circuit Switcher Replacement	Replacement 138 kV circuit switcher	6/14/2017	Equipment condition, performance and risk	\$9,384
Beckham Station Circuit Breakers	Install new 138 kV circuit breakers (2) and replace MOAB with circuit switcher	11/16/2017	Operational flexibility and efficiency	\$1,267,005
Bellefonte Station Transformer Replacement	Replace 138/69/34.5 kV transformer	12/18/2017	Equipment condition, performance and risk	\$4,633,797
Breaks Station Rebuild	Replacement of various station equipment	12/28/2015	Equipment condition, performance and risk	\$10,306,404
Breaks Station Spare Transformer	Purchase spare 50 MVA 69/46 kV transformer	12/27/2016	Operational flexibility and efficiency	\$602,275
Cannonsburg Station Fiber Installation	Install transmission communications, protection, and control equipment	2/22/2019	Modernization of communication network	\$109,758
Cannonsburg Station Transition	Replacement of various station equipment	11/18/2019	Thermal violation mitigation	\$104,694
Catalpa TS-Busseyville Fiber Installation	Install transmission communications, protection, and control equipment	12/17/2018	Modernization of communication network	\$741,880
Catalpa TS-Pound Street Fiber Installation	Install transmission communications, protection, and control equipment	7/18/2019	Modernization of communication network	\$3,302,987
Cedar Creek Station Circuit Breakers	Install 138 kV circuit breakers (2) and primary side circuit switcher	4/19/2016	Voltage violation mitigation	\$2,352,211
Chadwick Station Circuit Breakers	Replace MOAB switches (2) with 138 kV circuit breakers, replace 69 kV circuit breakers (2)	4/18/2017	Equipment condition, performance and risk	\$3,716,091
Chadwick Station Fiber Installation	Install transmission communications, protection, and control equipment	6/7/2017	Modernization of communication network	\$165,070
Collier Station Upgrades	Replacement of various station equipment	6/29/2017	Equipment condition, performance and risk	\$21,938
Daisy Station Upgrades	Replacement of various station equipment	6/29/2017	Equipment condition, performance and risk	\$39,844
Dorton Station Upgrades	Install 138 kV breakers (3) and a circuit switcher	6/21/2015	Equipment condition, performance and risk	\$2,369,933
England Hill Circuit Breakers	Replace 69 kV circuit breakers (2) with 3000 A 40 kA breakers	6/7/2017	Equipment condition, performance and risk	\$2,201,888
Failed GPS Clock Replacement	Replacement of relaying equipment	3/16/2018	Replacement of failed equipment	\$927
Inez Station Circuit Breaker	Install new 138 kV circuit breaker	12/20/2017	Operational flexibility and efficiency	\$24,417
Johns Creek Station 138 kV Circuit Breaker	Install new 138 kV breaker and circuit switcher	5/31/2019	Operational flexibility and efficiency	\$206
Mobile Capacitor Bank	Purchase of mobile capacitor bank	12/17/2019	Operational flexibility and efficiency	\$902,679
Slemp Station Upgrades	Replacement of various station equipment	6/29/2017	Equipment condition, performance and risk	\$73,111
Stanville Station Construction	Replacement of various station equipment	9/26/2018	Thermal and voltage violation mitigation	\$8,012,898
Stanville Station Construction	Property purchase	8/12/2015	Thermal and voltage violation mitigation	\$677,976



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E-Signature Summary

Signer 1: Nicolas C Koehler (NCK)

November 30, 2020 06:07:55 -8:00 [842A8486E724] [167.239.221.84]
nckoehler@aep.com (Personally Known)

E-Signature Notary: Brenda Williamson (Bw)

November 30, 2020 06:07:55 -8:00 [400DC3D25B49] [167.239.221.82]
bgwilliamson@aep.com
I, Brenda Williamson, did witness the participants named above electronically sign this document.



VERIFICATION

The undersigned, Nicolas C. Koehler, being duly sworn, deposes and says he is the Director of Transmission Planning, American Electric Power Service Corporation, 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.

Nicolas C Koehler

Signed on 2020/11/30 06:07:55 -8:00

Nicolas C. Koehler

STATE OF OHIO)

)

Case No. 2020-00062

COUNTY OF FRANKLIN)

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Subscribed and sworn before me, a Notary Public, by Nicolas C. Koehler this
11/30/2020 day of November, 2020.

Brenda Williamson

Signed on 2020/11/30 06:07:55 -8:00

