COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

Electronic Application Of Kentucky Power)	
Company For A Certificate Of Public Convenience	e)	
And Necessity To Construct A 138 kV)	Case No. 2020-00062
Transmission Line And Associated Facilities)	
In Pike And Floyd Counties (Kewanee-Enterprise)	
Park 138 kV Transmission Line Project))	

APPLICATION

Kentucky Power Company ("Kentucky Power" or the "Company") moves the Public Service Commission of Kentucky (the "Commission") pursuant to KRS 278.020(2) and 807 KAR 5:001, Section 15 for a Certificate of Public Convenience and Necessity authorizing Kentucky Power to:

- (1) construct approximately five miles of new double-circuit 138 kV transmission line in Floyd and Pike counties, Kentucky (the "Kewanee 138 kV Transmission Line Extension"). The line will connect the existing Beaver Creek—Cedar Creek 138 kV circuit of the Sprigg—Beaver Creek 138 kV Transmission Line to a proposed substation in Pike County, Kentucky (the "Kewanee 138 kV Transmission Line Extension");
- (2) construct a new 138 kV substation (the "Kewanee 138 kV Substation") which will replace the existing Fords Branch 46 kV Substation (the "Fords Branch 46 kV Substation") located approximately two miles west of the proposed Kewanee 138 kV Substation.; and
- (3) retire the existing Fords Branch 46 kV Substation ("Ford's Branch 46 kV Substation").(Collectively, the "Kewanee-Enterprise Park 138 kV Transmission Project" or the "Project").

A map illustrating the location of the Project components is attached as **EXHIBIT 1**. Many of the components of the Kewanee-Enterprise Park 138 kV Transmission Project previously were the subject of the Company's application approved by the Commission in Case No. 2018-00209.

¹ Application, In the Matter of: Electronic Application Of Kentucky Power Company For A Certificate Of Public Convenience And Necessity To Construct A 138 kV Transmission Line And Associated Facilities In Pike And Floyd

The Project is required to address PJM Baseline thermal and voltage criteria violations on the Company's existing 46 kV Pikeville area subtransmission network. The Baseline thermal and voltage criteria violations were discussed in the 2018 filing (Case No. 2018-00209²) and continue to exist notwithstanding the cancellation of the EnerBlu facility that was part of that Case. The work to be undertaken will address the PJM Baseline thermal and voltage criteria violations on the Company's existing 46 kV Pikeville area subtransmission network and also will permit Kentucky Power to increase the capacity of the Pikeville area 34.5 kV/12 kV distribution system. PJM has assigned the Baseline project ID of b3087.1 through b3087.4 for the Project.

In support of its Application Kentucky Power states:

Applicant

- 1. Kentucky Power is a corporation organized on July 21, 1919 under the laws of the Commonwealth of Kentucky. The Company currently is in good standing in Kentucky.³
- 2. The post office address of Kentucky Power is 1645 Winchester Avenue, Ashland, Kentucky 41101. The Company's electronic mail address is kentucky regulatory services@aep.com.

Counties (Enterprise Park Economic and Area Improvements Project), Case No. 2018-00209 (Ky. P.S.C. Filed August 18, 2018) ("Enterprise Park Application").

² See e.g., Kentucky Power Company's Response to KPSC 2-3, In the Matter of: Electronic Application Of Kentucky Power Company For A Certificate Of Public Convenience And Necessity To Construct A 138 kV Transmission Line And Associated Facilities In Pike And Floyd Counties (Enterprise Park Economic and Area Improvements Project), Case No. 2018-00209 (Ky. P.S.C. Filed October 30, 2018) ("the majority of the Enterprise Park Economic & Area Improvements Transmission Project would be required in the absence of the EnerBlu, Inc. manufacturing campus.").

³ A certified copy of the Company's Articles of Incorporation and all amendments thereto was attached to the Joint Application in In the Matter Of: The Joint Application Of Kentucky Power Company, American Electric Power Company, Inc. And Central And South West Corporation Regarding A Proposed Merger, P.S.C. Case No. 99-149. The Company's August 4, 2020 Certificate of Existence is filed as **EXHIBIT 2** of this Application.

- 3. Kentucky Power is engaged in the generation, purchase, transmission, distribution and sale of electric power. Kentucky Power serves approximately 165,000 customers in the following 20 counties of eastern Kentucky: Boyd, Breathitt, Carter, Clay, Elliott, Floyd, Greenup, Johnson, Knott, Lawrence, Leslie, Letcher, Lewis, Magoffin, Martin, Morgan, Owsley, Perry, Pike, and Rowan. Kentucky Power also supplies electric power at wholesale to other utilities and municipalities in Kentucky for resale. Kentucky Power is a utility as that term is defined in KRS 278,010.
- 4. Kentucky Power is a wholly owned subsidiary of American Electric Power Company, Inc. ("AEP"). AEP is a multi-state public utility holding company that includes utilities providing electric service to customers in parts of eleven states: Arkansas, Indiana, Kentucky, Louisiana, Michigan, Ohio, Oklahoma, Tennessee, Texas, Virginia, and West Virginia.

Background

- 5. The existing distribution grid in the Project area is served by the South Pikeville 69 kV Substation and the Fords Branch 46 kV Substation. The South Pikeville 69 kV Substation feeds three 12 kV distribution circuits that span 62 line miles and serve over 1,700 customers. The Fords Branch 46 kV Substation feeds two 34 kV distribution circuits that span 111 line miles and serve nearly 3,000 customers.
- 6. The Pikeville area 46 kV transmission network consists of approximately 53 miles of 46 kV transmission line that serves over 11,000 customers and has a peak load of about 83 MVA. The network serves as the primary source for five Kentucky Power substations: the Elwood

46 kV Substation, the Burton 46 kV Substation, the Fords Branch 46 kV Substation, the Henry Clay 46 kV Substation and the Draffin 46 kV Substation.

- 7. The existing Fords Branch 46 kV Substation is located near 46 Old Shelbiana Road in Pike County, Kentucky and will be retired as part of the Project. The Fords Branch 46 kV Substation will be replaced by the proposed Kewanee 138 kV Substation. The Fords Branch 46 kV Substation layout and location map are attached as **EXHIBIT 3**. Further details regarding the retirement of the Fords Branch 46 kV Substation are provided in the testimony of Company Witness Koehler.
- 8. Kentucky Power also plans to replace an existing relay panel at the Cedar Creek 138 kV Substation with an upgraded version. This routine remote end work is being undertaken in the normal course of operating and maintaining the Company's transmission facilities and constitutes an extension in the ordinary course of business. The work is identified in this Application in the interest of providing full disclosure. The Cedar Creek 138 kV Substation is located at 263 Cedar Creek Road, in Pike County, Kentucky. The Cedar Creek 138 kV Substation layout and location map are attached as **EXHIBIT 4**. Further details regarding the remote end work at the Cedar Creek 138 kV Substation are provided in the testimony of Company Witness Koehler.
 - 9. <u>EXHIBIT 5</u> details the present system and Project components.
- 10. The Kentucky Enterprise Industrial Park is located in Pike County, Kentucky, south of the Pikeville city center. The industrial park is an approximately 300-acre facility located on a former surface mine site adjacent to the U.S. 23 industrial corridor. Silverliner LLC is the current tenant of the Kentucky Enterprise Industrial Park. Although the Project will support service to

future tenants of the industrial park, the need for the Project exists independently of service to the industrial park's current or future tenants.

The Earlier Proceedings

- 11. Kentucky Power on August 10, 2018 filed its application to construct the Enterprise Park Economic and Area Improvements Project ("Enterprise Park Project"). The Enterprise Park Project as proposed by Kentucky Power in Case No. 2018-00209 contained many of the components described as part of the Project subject to this filing. The Enterprise Park Project was designated by PJM as a Baseline project.⁴ The Enterprise Park Project also was intended to provide service to EnerBlu's planned manufacturing campus in the Kentucky Enterprise Industrial Park, as well as future development in the Kentucky Enterprise Industrial Park.⁵
- 12. The Commission on December 6, 2018 granted Kentucky Power a conditional certificate of public convenience and necessity to construct the Enterprise Park Project.⁶ The certificate of public convenience and necessity was expressly conditioned on the filing of

⁴ See Application, In the Matter of: Electronic Application Of Kentucky Power Company For A Certificate Of Public Convenience And Necessity To Construct A 138 kV Transmission Line And Associated Facilities In Pike And Floyd Counties (Enterprise Park Economic and Area Improvements Project), Case No. 2018-00209 (Ky. P.S.C. Filed August 18, 2018) ("Enterprise Park Application"); Enterprise Park Application, Direct Testimony of Ranie K. Wohnhas at 9, 21 (Ky. P.S.C. Filed August 18, 2018) ("Wohnhas Testimony"); Enterprise Park Application, Direct Testimony of Michael G. Lasslo at 25 (Ky. P.S.C. Filed August 18, 2018) ("Lasslo Testimony");

⁵ Enterprise Park Application, Wohnhas Testimony at 10-11; Enterprise Park Application, Lasslo Testimony at 3, 5; Enterprise Park Application at ¶ 16.

⁶ Order, In the Matter of: Electronic Application Of Kentucky Power Company For A Certificate Of Public Convenience And Necessity To Construct A 138 kV Transmission Line And Associated Facilities In Pike And Floyd Counties (Enterprise Park Economic and Area Improvements Project), Case No. 2018-00209 (Ky. P.S.C. December 6, 2018).

"reasonable assurance in writing from EnerBlu that sufficient financing has been secured to complete construction of its planned facility."

- 13. The Commission on October 9, 2019 initiated an investigation in Case No. 2019-00369 into the status of the certificate of public convenience and necessity following EnerBlu, Inc.'s petition for protection under Chapter 11 of the Bankruptcy Code.⁸
- 14. Kentucky Power on November 5, 2019 filed testimony in response to the Commission's October 9, 2019 Order in Case No. 2019-00369. Kentucky Power indicated that it did not oppose the cancellation of the certificate of public convenience in light of EnerBlu's bankruptcy petition. ⁹ Kentucky Power explained in the same testimony that:

The upgrades that were the subject of Case No. 2018-00209 (the "Enterprise Park Project") continue to be required to address PJM Criteria violations and other reliability concerns in the Company's Pikeville District. In particular, the transfer of the load currently served by the Company's existing Fords Branch 46 kV Substation to the proposed Kewanee 138 kV Substation, coupled with the retirement of the existing Fords Branch Substation and the construction of the proposed five mile double circuit 138 kV transmission line, is required to address the thermal and voltage violations on the Company's 46 kV subtransmission network. The work also is necessary to increase the capacity and reliability of Kentucky Power's existing 12 kV distribution service in the area, and the area's 34.5 kV distribution service capacity.¹⁰

The Company's testimony explained that although EnerBlu would not be moving forward with the construction of its Enterprise Park manufacturing facility, Kentucky Power still anticipated

⁷ *Id.* at 18.

⁸ Order, In the Matter of: Electronic Investigation Of Kentucky Power Company's Need For The Enterprise Park Project, Case No. 2019-00369 (Ky. P.S.C. October 9, 2019).

⁹ Testimony of Ranie K. Wohnhas, In the Matter of: Electronic Investigation Of Kentucky Power Company's Need For The Enterprise Park Project, Case No. 2019-00369 at 3-4 (Ky. P.S.C. Filed November 5, 2019).

¹⁰ Id. at 4.

that it would seek the appropriate certificate of public convenience and necessity to address the continuing need to address the Baseline thermal and voltage criteria violations.¹¹

The Proposed Project

A. The Proposed Kewanee 138 kV Transmission Line Extension

- 15. The proposed Kewanee 138 kV Transmission Line Extension will connect to the Beaver Creek—Cedar Creek Circuit of the Company's existing Sprigg—Beaver Creek 138 kV Transmission Line, between Route 3379 and Route 1426 in eastern Floyd County, Kentucky. The line will then proceed parallel to the existing Big Sandy—Broadford 765 kV Transmission Line for approximately 1.3 miles. The transmission line then turns in a more southeasterly direction for approximately 3.7 miles where it terminates at the proposed Kewanee 138 kV Substation. **EXHIBIT 6** illustrates the location of the proposed route for the Kewanee 138 kV Transmission Line Extension (the "Proposed Route"). The Proposed Route principally crosses remote and rugged terrain that previously was surface mined and reclaimed.
- 16. In early 2020, POWER Engineers, Inc. ("POWER") and Kentucky Power completed a field review to re-examine the Proposed Route in Case No. 2018-00209. The Company has made minor adjustments to the previously identified centerline based on further engineering design and landowner input. No existing transmission line infrastructure will be rebuilt.

¹¹ *Id.* at 4, 5.

17. A complete description of the Proposed Route and the siting study employed by Kentucky Power in connection with identifying the Proposed Route is provided by Company Witness Larson.

B. The Structures, Conductors, And Groundwires

- 18. Final structure type and location, as well as the number of structures, will be determined as part of final engineering based on a ground survey and geotechnical studies. The Company currently anticipates that the Kewanee 138 kV Transmission Line Extension will consist of nineteen structures. Sixteen of the structures are anticipated to be double-circuit galvanized lattice steel towers. An additional structure required for the Kewanee 138 kV Transmission Line Extension is anticipated to be a double-circuit monopole steel structure with davit arms. Current plans also include a single circuit monopole steel structure to be located at the Kewanee 138 kV Substation site. An additional structure (for a Project total of nineteen structures) will be constructed as part of the Sprigg—Beaver Creek 138 kV Transmission Line at the tap point. This structure will be a double-circuit galvanized lattice steel tower. Details on structure types is provided in Section 1.2.2 of the Siting Study, included as Exhibit 7.
- 19. Structure height above the ground will vary; current design indicates that the average above ground height of the proposed double-circuit structures will be approximately 110 feet. Images and sketches of typical double-circuit galvanized lattice steel towers are shown in **EXHIBIT 8**. Images and sketches of a typical double-circuit monopole structure are shown in **EXHIBIT 9**.

20. The proposed double circuit structures will support six conductors and two overhead groundwires. The conductors will consist of 1033.5 kcmil ACSR conductors; the overhead groundwires will consist of one Alumoweld wire and one fiber optic overhead groundwire, which will be used for relaying communications between stations.

C. The Proposed Kewanee 138 kV Substation

- 21. The proposed Kewanee 138 kV Substation will be constructed south of and adjacent to the Kentucky Enterprise Industrial Park near Industrial Drive. The site for the Kewanee 138 kV Substation includes the same site proposed in Case No. 2018-00209. The substation will be located on a 16.4-acre tract purchased by Kentucky Power. After preliminary civil engineering design, Kentucky Power determined additional property was needed to accommodate grading the stormwater controls. As a result, the Company also plans to purchase an additional 1.5 acres of adjacent land owned by the City of Pikeville. The fenced portion of the proposed Kewanee 138 kV Substation will measure approximately 335 feet by 280 feet and will enclose a graveled yard. **Exhibit 10** details the location and layout of the proposed Kewanee 138 kV Substation.
- 22. The construction of the Kewanee 138 kV Substation, in conjunction with the transfer of the load from the Fords Branch 46 kV Substation to the Kewanee 138 kV Substation, will permit Kentucky Power to address the Baseline thermal and voltage violations on the Company's Pikeville area 46 kV subtransmission network. The Kewanee 138 kV Substation also addresses the aging infrastructure needs of the Fords Branch 46 kV Substation by allowing Fords Branch station to be retired. Finally, the Kewanee 138 kV Substation also will increase the capacity of Kentucky Power's 34.5 kV and 12 kV distribution service in the area. The new

substation will step down the voltage and provide protection and controls to serve customers currently served by the Fords Branch Substation, as well as existing and future customers located in the Kentucky Enterprise Industrial Park.

- 23. Kentucky Power proposes to install and own the following major equipment within the fenced portion of the substation:
 - (a) One 138/34.5 kV transformer;
 - (b) One 138/12 kV transformer (30 MVA);
- (c) Standard left and right hand rural distribution structures with two distribution feeder positions in each bay to provide distribution service to customers at the industrial center along with customers currently served out of Fords Branch 46 kV Substation¹²; and
- (d) A pre-fabricated Drop-In Control Module building that will house various control panels, telecommunication terminal units, stationary batteries and charging equipment for DC power.

A complete description of the proposed Kewanee 138 kV Substation and site is provided in the testimony of Company Witness Koehler and Company Witness West.

¹² AEP Kentucky Transmission Company, Inc. ("Kentucky Transco") also will install at the Kewanee 138 kV Substation two 138 kV transmission line positions in a ring bus layout utilizing four 138 kV circuit breakers (3000A 40 kA) to sectionalize the transformer and transmission line component along with an additional 138 kV circuit breaker for a 28.8 MVAR capacitor bank. Kentucky Transco is not a utility subject to the jurisdiction of the Commission and thus is not a party to this application. Order, In The Matter of Application Of AEP Kentucky Transmission Company, Inc. For A Certificate Of Public Convenience And Necessity Pursuant TO KRS 278.020 To Provide Wholesale Transmission Service In The Commonwealth, Case No. 2011-00042 at 8 (Ky. P.S.C. June 10, 2013) ("[T]he Commission finds that the service that KY Transco proposes to provide in Kentucky cannot be classified as 'utility service,' as that term is used in the CPCN statute, KRS 278.020(1), since KY Transco's service would not be a Commission regulated activity. Consequently, KY Transco does not legally qualify for the issuance of a CPCN to provide only wholesale transmission service which would not be a Commission regulated activity and which would be provided under rates and tariffs that are not filed here as required by KRS 278.160(1) for regulated activities.").

- 24. The Company's Application for the Kewanee 138 kV Substation in this case eliminates (a) one 138/12 kV transformer (30 MVA); (b) one 138/34.5 kV transformer (30 MVA); and (c) standard left and right hand rural distribution structures with three distribution feeder positions in each bay from the substation conditionally approved by the Commission in Case No. 2018-00209.
- 25. Kentucky Power and POWER examined five potential sites in connection with the selection of the site for the Kewanee 138 kV Substation proposed in Case No. 2018-00209. In early 2020, POWER and Kentucky Power reviewed in the field the Kewanee 138 kV Substation site conditionally approved in Case No. 2018-00209 as part of their consideration of the effect, if any, of the cancellation of the EnerBlu manufacturing facility on the location of the Kewanee 138 KV Substation. The site proposed for the Kewanee 138 kV Substation in Case No. 2018-00209 remains the most suitable site for the Kewanee 138 kV Substation regardless of the cancellation of the EnerBlu facility. An updated Siting Study is filed as **EXHIBIT 7**. Further explanation of why the proposed site for the Kewanee 138 kV Substation remains the most suitable location is provided in the testimony of Company Witness Larson.
 - D. Fords Branch 46 kV Substation (To be Retired).
- 26. Kentucky Power proposes to retire the existing Fords Branch 46 kV Substation in conjunction with the construction of the proposed Kewanee 138 kV Substation. The Fords Branch 46 kV Substation is located approximately two miles east of the proposed location of the Kewanee 138 kV Substation. The Fords Branch 46 kV Substation is being retired to address Baseline thermal and voltage criteria violations on the Pikeville 46 kV system. By removing the load from

the 46 kV network and moving it to the 138 kV system at Kewanee 138 kV Substation, the Project will address the identified Baseline criteria violations by reducing the amount of load served directly from the 46 kV network. The retirement of the Fords Branch 46 kV Substation also allows the Company to address operational concerns with the aging infrastructure and deteriorating components at the Fords Branch 46 kV Substation. Neither the Baseline thermal and voltage criteria violations, nor the aging infrastructure and deteriorating components at the Fords Branch 46 kV Substation, can be remedied by replacing or upgrading the existing substation infrastructure.

27. Once the load is transferred from the Fords Branch 46 kV Substation to the 138 kV system at Kewanee, the existing Fords Branch 46 kV Substation will no longer serve any electrical purpose and can be retired. The only equipment that will remain following the retirement of the substation will be the 46 kV structure that will allow the existing Elwood–Cedar Creek 46 kV substation line to pass through the former Fords Branch 46 kV Substation site.

E. <u>Cedar Creek 138 kV Substation</u>.

28. The Cedar Creek 138 kV Substation improvements consist of replacing an existing relay panel pointing toward the Beaver Creek 138 kV Substation with an upgraded version. All work at the Cedar Creek 138 kV Substation will take place within the existing substation footprint. The Cedar Creek 138 kV Substation work constitutes an extension in the ordinary course of business and under 807 KAR 5:001, Section 15(3) does not require a certificate of public convenience and necessity.

Financial Aspects Of The Project

- 29. The total detailed estimate of the Company's share of the Project cost is \$35.2 million. That sum comprises: (a) approximately \$19.9 million for transmission line work including right-of-way acquisition; (b) approximately \$14.1 million for Company's share of the new Kewanee 138 kV Substation; (c) \$0.7 million for the retirement of the Fords Branch 46 kV Substation; and (d) \$0.5 million for the Cedar Creek 138 kV Substation upgrade. The Project does not involve sufficient capital outlay to materially affect the existing financial condition of Kentucky Power.
- 30. Kentucky Power projects the Company's share of the annual operating cost will be approximately \$19,100 for general maintenance and inspection. The projected annual additional ad valorem taxes resulting from the Company's share of the Project are expected to total approximately \$362,400.

Property Acquisition

31. The Kewanee 138 kV Substation will be constructed on a 16.4-acre tract purchased by Kentucky Power and a 1.5-acre tract to be purchased by Kentucky Power from the City of Pikeville. The tracts are located south of and adjacent to the Kentucky Enterprise Industrial Park near Industry Drive. The 16.4-acre parcel constitutes the entirety of the tract; it was not available for subdivision. The 1.5-acre tract to be purchased from the City of Pikeville, will be a subdivision of a larger parcel owned by the City. The tracts will enable the Company to locate the new substation so that it may provide adequate safety clearances, provide the required ingress and egress, permit grading and cut-fill work, accommodate stormwater controls, accommodate the

transmission line entrance, accommodate the distribution lines to be served by the substation, and lastly, provide for future expansion of the substation, if necessary.

- 32. Kentucky Power anticipates acquiring right-of-way for the Proposed Route that is 100 feet wide (50 feet on either side of the centerline). A widened right-of-way may be required for certain longer spans and in steep terrain to permit the safe and efficient operation of the transmission line. The widened right-of-way also would facilitate additional tree clearing to prevent the conductors from coming in contact with trees during high wind conditions and tree clearing on the up-hill side in order to prevent trees from falling down hill and into the conductors and structures. These areas of wider right-of-way will be identified during detailed engineering design and will be included during the right-of-way negotiations with landowners. In those limited instances where required to accommodate unusually steep terrain and very long spans the total width of the right-of-way could be expanded to as much as 350 to 400 feet (175 feet to 200 feet on each side of the centerline).
- 33. To ensure the ability to address potential issues that may emerge in connection with ground surveys, final engineering, and right-of-way negotiations, Kentucky Power requests authority to move the illustrated centerline and right-of-way and to expand the right-of-way, within the Filing Corridor illustrated on **EXHIBIT 6**. The Filing Corridor is defined as:
- (a) 500 feet to the northeast for that portion of the centerline that begins at the tap point on the existing Beaver Creek–Cedar Creek 138 kV circuit of the Sprigg–Beaver Creek 138 kV Transmission Line and that parallels the route of the Big Sandy–Broadford 765 kV Transmission Line (approximately 1.3 miles); and
- (b) Generally, 500 feet in either direction (1,000-foot corridor) from the end of the route paralleling the Big Sandy Broadford 765 kV Transmission Line to the proposed Kewanee 138 kV Substation (approximately 3.7 miles).

- (c) To mitigate known mining risks and allow for added design flexibility in rugged topography, the Filing Corridor was expanded an additional 500 feet between proposed structures 6 and 8 (near the crossing of Left Fork Island Creek Road). For this 2,000-foot section of centerline, the Filing Corridor is 1,500 feet wide (about 500 feet to the south of the centerline and 1,000 feet to the north of the centerline).
- 34. Kentucky Power's request to move the centerline and right-of-way, or to expand the right-of-way, within the Filing Corridor is made expressly contingent upon Kentucky Power having notified the property owner onto whose property the line would be moved of this proceeding in accordance with 807 KAR 5:120, Section 2(3). After construction is completed, Kentucky Power will file with the Commission a revised plan showing the final location of the transmission line and structures. The authority sought in this proceeding is similar, but not identical, to that granted Kentucky Power by the Commission in its Order dated the January 26, 2012 in Case No. 2011-00295. Company Witnesses West and Larson provide descriptions of the proposed Filing Corridor, how it differs from earlier requested authority, and the manner in which Kentucky Power proposes to use it.
- 35. The Filing Corridor and right-of-way include 46 parcels. Thirty-one of the parcels are crossed by the right-of-way. A list of parcels and associated landowners within the right-of-way and the Filing Corridor is provided as **EXHIBIT 11**. Kentucky Power worked with property owners affected by the right-of-way and where possible to make reasonable adjustments to the Proposed Route as part of its route development process.

¹³ In the Matter of: The Application Of Kentucky Power Company For A Certificate Of Public Convenience And Necessity To Construct A 138 KV Transmission Line In and Associated Facilities in Breathitt, Knott and Perry Counties, Kentucky (Bonnyman-Soft Shell Line).

36. Kentucky Power currently is negotiating with the affected owners of property located within the proposed right-of-way for acquisition of the required interest in their property. Kentucky Power plans to begin to acquire rights-of-way in August 2020 and expects to complete acquisition in April 2021. Kentucky Power will provide monthly property acquisition status updates beginning on or about September 30, 2020.

Notices

- 37. Kentucky Power filed its Notice of Intent in conformity with 807 KAR 5:120, Section 1 on March 9, 2020. This proceeding was assigned Case No. 2020-00062.
- 38. Kentucky Power by a mailing made August 31, 2020 provided the notice required by 807 KAR 5:120, Section 2(3) to all property owners, as indicated by the records of the property valuation administrators of Floyd and Pike counties, whose land is included within the right-of-way and the Filing Corridor ("Affected Landowners") of the Proposed Route and the Proposed Kewanee 138 kV Substation.
 - 39. The August 31, 2020 Notice included the following information:
 - a. notice of the proposed construction;
 - b. the docket number (P.S.C. Case No. 2020-00062) under which the Application will be processed;
 - c. the address and telephone number of the Commission's Executive Director;
 - d. a description of the property owners' rights to request a public hearing and the right to request intervention; and
 - e. a description of the Proposed Route and Proposed Kewanee Substation and corresponding maps indicating their locations.

¹⁴Certain of the addresses obtained from the records of the pertinent property valuation administrator were determined through earlier mailings or other landowner contact efforts to be incorrect or otherwise undeliverable. Where the Company was able to determine the correct mailing addresses through landowner communication or other research, Kentucky Power used the updated addresses to ensure the landowners received the required notice.

- 40. A sample copy of the August 31, 2020 Notice, including all enclosures, is attached as part of **EXHIBIT 12**. The list of the Affected Landowners to whom the Notice was mailed, including their addresses as indicated by the records of the property valuation administrators of Pike and Floyd Counties, and the verification by Ryan M. Howell of the mailing of the letters are attached as **EXHIBIT 12**.
- 41. Kentucky Power was unable to contact one owner of one parcel identified as parcel 9 on **EXHIBIT 11**. The address shown in the records of the Floyd County Property Valuation Administrator proved inadequate to contact the owner of the parcel despite the Company's efforts to do so in connection with earlier mailings. Kentucky Power in conformity with 807 KAR 5:120, Section 2(3) used the addresses shown on the records of the Floyd County Property Valuation Administrator to mail the landowner notice to the owner of parcel 9. Kentucky Power will continue its efforts to contact the owner of the parcel.
- 42. The notice required by 807 KAR 5:120, Section 2(5) was published on August 5, 2020 in the *Floyd County Times* and August 4, 2020 in the *Appalachian News Express*. The published notices included the following information:
 - a. a description of the Proposed Route;
 - b. the docket number (P.S.C. Case No. 2020-00062) under which the Application will be processed;
 - c. the address and telephone number of the Commission's Executive Director;
 - d. a description of the property owners' rights to request a public hearing and the right to request intervention; and
 - e. a map illustrating the route of the Proposed Route and Kewanee 138 kV Substation location

The notices published in the *Floyd County Times* and the *Appalachian News Express* and Affidavit of Publication are attached as **EXHIBIT 13.**

Franchises And Permits

- 43. Kentucky Power is not required to obtain a franchise from any public authority. 807 KAR 5:001, Section 15(2)(b).
- 44. Kentucky Power will obtain all required environmental compliance permits and complete the required studies prior to beginning Project construction. Preliminary environmental surveys were conducted between July and December 2018 for the Proposed Route right-of-way, access roads, laydown yard, and the site for the Proposed Kewanee 138 kV Substation. The Company will update any surveys as necessary to obtain the appropriate environmental permits and approvals before the anticipated start of construction in the fourth quarter of 2021. A summary of the environmental surveys and permitting completed or anticipated to be required is described in Company Witness Larson's testimony. Following receipt of the requested authority, and completion of final design and right-of-way acquisition, but prior to the beginning of construction, Kentucky Power will update or supplement the listing in Company Witness Larson's testimony of required environmental surveys or permitting.
- 45. The Company also will timely submit the final line design to the Federal Aviation Administration and the Kentucky Transportation Cabinet to secure a "Determination of No Hazard to Air Navigation." Other permits that will be obtained include road and railroad crossing permits. These will be submitted to the Commission once final engineering has been completed.

The Proposed Construction Is Required By The Public Convenience And Necessity

- 46. The Project is required by the public convenience and necessity. The need for the Project is more completely described in detail in the testimony of Company Witness Koehler.
- 47. The Project will resolve the PJM Baseline thermal and voltage criteria violations resulting from conditions on the Pikeville area 46 kV subtransmission system. The Project was assigned PJM baseline upgrade ID b3087.1 through b3087.4. The retirement of the Fords Branch 46 kV Substation and the transfer of that load to the proposed Kewanee 138 kV Substation, allows Kentucky Power to address the aging equipment and infrastructure issues at the Fords Branch 46 kV Substation. The Project will supplement the reliability and capacity of the Company's Pikeville 34.5 and 12 kV distribution systems in the area of the Kentucky Enterprise Industrial Park.
- 48. Kentucky Power has an obligation under KRS 278.030(2) to provide adequate, efficient, and reasonable service to its customers.
- 49. The Project is required to remedy PJM Baseline thermal and voltage criteria violations on the Company's existing 46 kV Pikeville area subtransmission network. The work to be undertaken to address the PJM Baseline thermal and voltage criteria violations on the Company's existing 46 kV Pikeville area subtransmission network also will permit Kentucky Power to:
 - (a) address the aging infrastructure needs of the Company's existing Ford's Branch 46 kV Substation; and
 - (b) provide additional capacity (through the 138 kV transmission system) for the Pikeville area's 34.5 kV and 12 kV distribution system.

50. The Project is located entirely within Kentucky Power's certified territory and will not compete with any public utilities, corporations or persons, and will not result in a duplication of facilities.

Alternate Routes Considered

- 51. Kentucky Power retained the services of POWER in 2018 to conduct a Siting Study to assist the Company in identifying the most feasible route for a new overhead electric transmission line between the Project endpoints that would also be consistent with the Project's need. POWER also assisted Kentucky Power in identifying a location for the Kewanee 138 kV Substation. POWER, in conjunction with Kentucky Power, identified and reviewed alternative transmission line routes while receiving and considering public input and field review, as well as the need to avoid or minimize impacts on people and environmental resources.
- 52. The Study Area identified in 2018 was the approximately 25.3-square miles in Floyd and Pike counties in which alternative line routes could be sited to meet the Project's functional requirements and, at the same time, minimize environmental impacts and Project costs. The Study Area, unchanged in 2020, is bounded on the northwest by the existing Sprigg—Beaver Creek 138 kV Transmission Line and to the southeast by the Kentucky Enterprise Industrial Park. The existing Big Sandy—Broadford 765 kV Transmission Line and the community of Galveston bound the Study Area to the south and west; the City of Pikeville bounds the Study Area to the north and east. The Right Fork of Island Creek Road/Route 1426 and the Left Fork of Island Creek Road/Route 3416 bisect the Study Area from east to west. Additional information regarding the

Study Area and mapping showing the Study Area, constraints and resources is included in the Siting Study, which was updated in July 2020 (EXHIBIT 7, Attachment B).

- In 2018 POWER, in conjunction with Kentucky Power, ultimately identified two 53. alternative routes, which were developed from the remaining 23 study segments presented at a May 3, 2018 open house conducted at Pikeville High School. The two alternative routes are illustrated in **EXHIBIT 14** and the Siting Study (**EXHIBIT 7**, Attachment B, Map 6). Based upon siting guidelines developed jointly by Kentucky Power and POWER, Alternative B was selected as the route proposed in Case No. 2018-00209. Alternative B remains the Proposed Route in this filing, subject to minor adjustments to the Proposed Route since the 2018 filing to account for further engineering design and landowner input. The Proposed Route parallels the existing Big Sandy-Broadford 765 kV Transmission Line for 1.3 miles, thereby reducing habitat fragmentation, minimizing additional viewshed impacts, and using existing access roads. Paralleling existing transmission lines is a common and accepted transmission line siting practice. The Proposed Route is efficient and more direct and takes advantage of the terrain to maximize span lengths and reduce the number of structures and heavy angles. Based on field investigations, members of the Siting Team concluded a number of existing or existing access roads could likely be used for the construction of the Proposed Route. Doing so significantly reduces the amount of new access road construction, the associated environmental impacts and the overall Project costs.
- 54. Members of the Siting Team undertook field reconnaissance in 2018 and concluded that there were no encroachments on the Proposed Route; the field review in early 2020 confirmed this statement remains true. The Proposed Route is located farther from residential, commercial,

and future mining development, and in a largely undeveloped area. It also is located on high ridgelines, spanning above the roadways and valleys, thereby limiting visual impacts to the surrounding area. The Proposed Route is consistent with public preferences and general siting guidelines for paralleling or using existing rights-of-way for new or rebuilt transmission facilities where feasible.¹⁵

55. In early 2020, POWER and Kentucky Power conducted fieldwork and re-examined the route proposed in Case No. 2018-00209. Based on that additional fieldwork and re-examination the Proposed Route remains largely unchanged from the 2018 filing. The Proposed Route generally follows the route previously approved by the Commission in Case No. 2018-00209. The Company has made minor adjustments to the centerline based on further engineering design and landowner input. Additional information regarding adjustment to the Proposed Route can be found in Company Witness Larson's testimony and **EXHIBIT 7**.

Reviews And Stakeholder Input

56. In 2018, Kentucky Power and POWER conducted extensive stakeholder outreach, including publishing news releases to announce the Project and the Proposed Route (EXHIBIT 15), as well as establishing a public website to provide information and solicit comments (http://aeptransmission.com/kentucky/EnterprisePark/). Kentucky Power also met with multiple public officials concerning the Project prior to filing this Application. Kentucky Power and

¹⁵ See e.g. Order, In the Matter of: Application Of Big Rivers Electric Corporation For A Certificate Of Public Convenience And Necessity To Construct A 161 kV Transmission Line In Ohio County, Kentucky, Case No. 2007-00177 (Ky. P.S.C. October 30, 2007) ("By following a route that parallels existing transmission lines for a significant portion of its length, Route C minimizes the impact of the proposed facilities on property owners more than the other possible routes.").

POWER conducted a public open house on May 3, 2018 at Pikeville High School, 120 Championship Drive, Pikeville, Kentucky to solicit comments and answer questions. Forty-one individuals attended the open house.

- 57. A second open house was not conducted in the spring of 2020. Kentucky Power is committed to keeping the public informed but is also dedicated to keeping customers and employees safe and healthy. As a result of the COVID-19 pandemic and the social distancing recommendations made by the Centers for Disease Control and Prevention (CDC), an open house was not conducted. Instead, Kentucky Power updated the website and mailed landowners a notification letter regarding the Project's re-engagement in March 2020. Kentucky Power right-of-way agents also spoke with landowners crossed by the Proposed Route right-of-way to personally update them on the Project.
- 58. Kentucky Power contacted all of the owners of the parcels within the right-of-way with the exception of one owner of a parcel located in Floyd County, Kentucky (parcel 9 as identified on **Exhibit 6** and **Exhibit 11**) who cannot be located from the public records. Further information concerning stakeholder contacts and outreach efforts is included in the Siting Study (**Exhibit 7**, Attachment C) and in the testimony of Company Witness Larson.

Commencement Of Work And Anticipated In-Service Date

59. Kentucky Power anticipates commencing work, subject to the grant of the requested authority, in the fourth quarter of 2021. The PJM Baseline thermal and voltage violations must be remedied by December 1, 2023.

Exhibits And Testimony

60. The exhibits and testimony listed in the Appendix to this Application are attached to and made a part of this Application.

Communications

61. The Applicant respectfully requests that communications in this matter be addressed to the e-mail addresses identified on Kentucky Power's February 28, 2020 Notice of Election of Use of Electronic Filing Procedures, except that Katie M. Glass (kglass@stites.com) should be substituted for John W. Pollom who withdrew as counsel for Kentucky Power.

Filing Requirements

62. Kentucky Power's compliance with the requirements of 807 KAR 5:001, Section 14, 807 KAR 5:001, Section 15, and 807 KAR 5:120 is detailed in **EXHIBIT 16** to the Application.

WHEREFORE, Kentucky Power Company requests that the Commission issue an Order:

(a) Granting Kentucky Power a Certificate of Public Convenience and Necessity for the Project authorizing: (i) the construction of the Proposed Kewanee 138 kV Transmission Line Extension; (ii) the construction of the identified components of the proposed Kewanee 138 kV Substation; and (iii) the retirement of Kentucky Power's existing Fords Branch 46 kV Substation; and

(b) Granting Kentucky Power such other relief as may be appropriate.

Respectfully submitted,

Mark R. Overstreet

Katie M. Glass

STITES & HARBISON PLLC

421 West Main Street

P. O. Box 634

Frankfort, Kentucky 40602-0634

Telephone:

(502) 223-3477

Facsimile:

(502) 779-8349

moverstreet@stites.com

kglass@stites.com

APPENDIX

TESTIMONY

DIRECT TESTIMONY OF NICOLAS C. KC	DEHLERProject Purpose and Need
DIRECT TESTIMONY OF EMILY S. LARS	ONSiting
DIRECT TESTIMONY OF BRIAN K. WEST	Γ Regulatory and Financial Information and Project Overview

LIST OF EXHIBITS

EXHIBIT 1: Project Location Map

EXHIBIT 2: Kentucky Power Company's Certificate of Existence

EXHIBIT 3: Fords Branch 46 kV Substation (To Be Retired) Layout and Location

EXHIBIT 4: Cedar Creek 138 kV Substation Layout and Location

EXHIBIT 5: Present System and Project Components

EXHIBIT 6: Proposed Route (USGS and Aerial Base)

EXHIBIT 7: Siting Study

EXHIBIT 8: Typical Double-Circuit Steel Lattice Transmission Structure

EXHIBIT 9: Typical Double-Circuit Steel Monopole Transmission Structure

EXHIBIT 10: Proposed Kewanee 138 kV Substation Layout and Location

EXHIBIT 11: Parcel List and List of Landowners Within Right-of-Way and Filing Corridor

EXHIBIT 12: Notice To Landowners And Verification of Mailing Executed By Ryan M. Howell

EXHIBIT 13: Published Notice And Affidavit of publication

EXHIBIT 14: Alternative Routes Considered (Aerial Base)

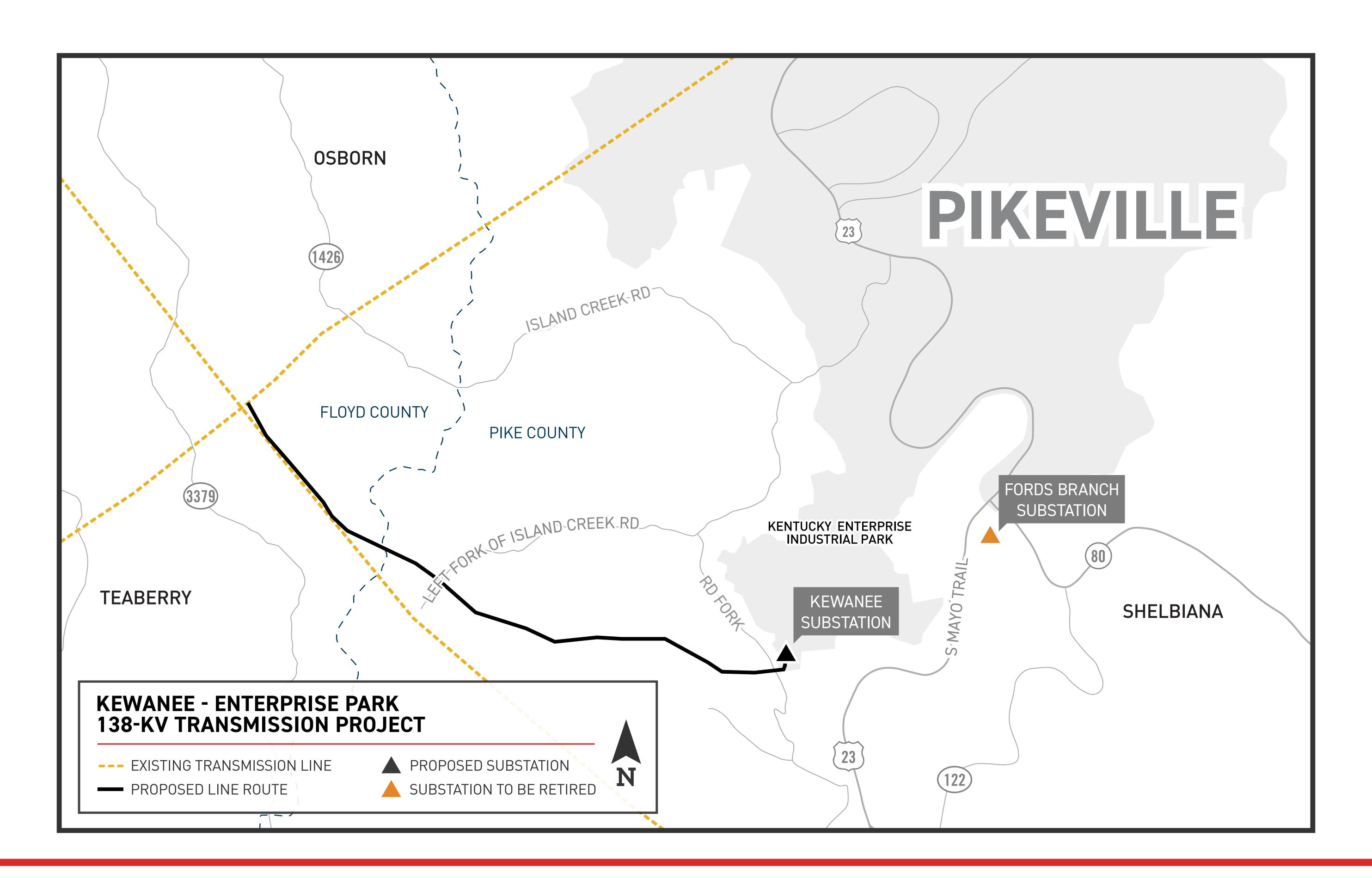
EXHIBIT 15: Public News Releases

EXHIBIT 16: Filing Requirements

KEWANEE - ENTERPRISE PARK 138-KV TRANSMISSION PROJECT



BOUNDLESS ENERGY



Commonwealth of Kentucky Michael G. Adams, Secretary of State

Michael G. Adams Secretary of State P. O. Box 718 Frankfort, KY 40602-0718 (502) 564-3490 http://www.sos.ky.gov

Certificate of Existence

Authentication number: 234544

Visit https://web.sos.ky.gov/ftshow/certvalidate.aspx to authenticate this certificate.

I, Michael G. Adams, Secretary of State of the Commonwealth of Kentucky, do hereby certify that according to the records in the Office of the Secretary of State,

KENTUCKY POWER COMPANY

is a corporation duly incorporated and existing under KRS Chapter 14A and KRS Chapter 271B, whose date of incorporation is July 21, 1919 and whose period of duration is perpetual.

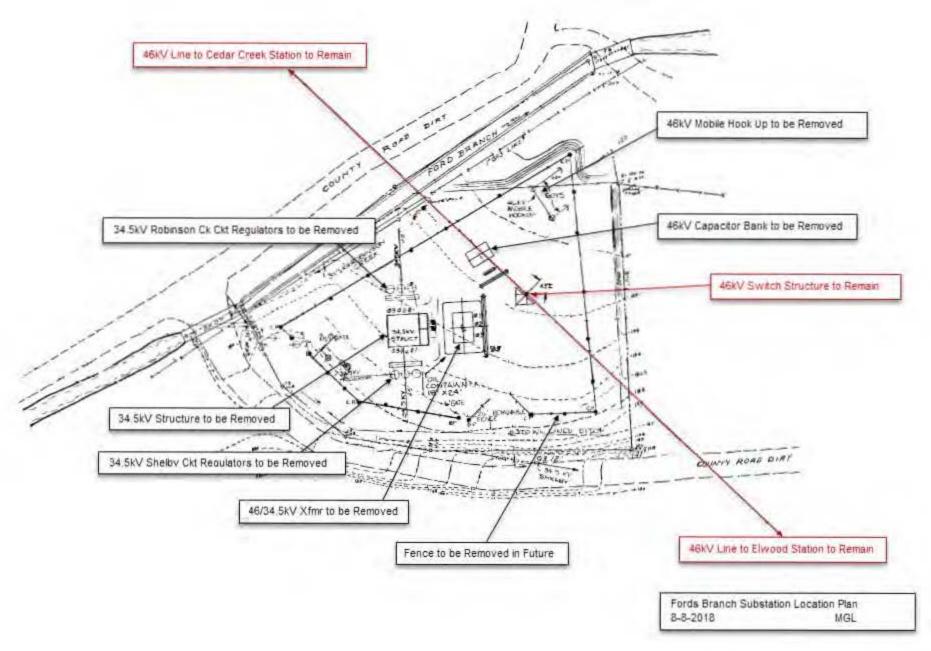
I further certify that all fees and penalties owed to the Secretary of State have been paid; that Articles of Dissolution have not been filed; and that the most recent annual report required by KRS 14A.6-010 has been delivered to the Secretary of State.

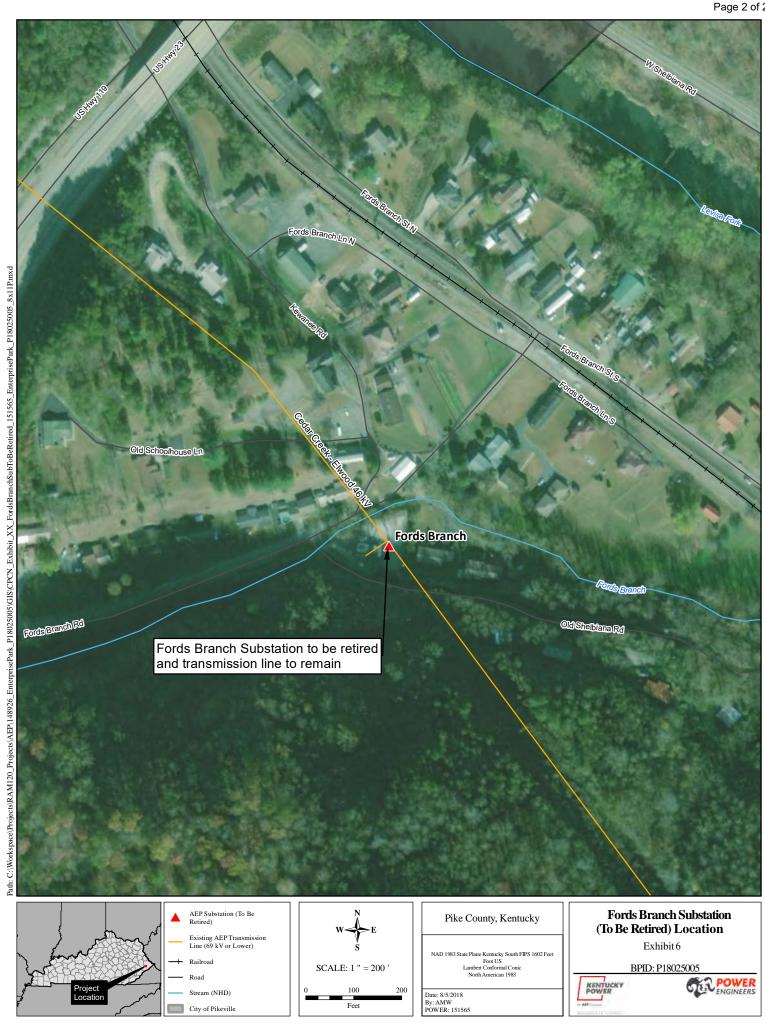
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at Frankfort, Kentucky, this 4th day of August, 2020, in the 229th year of the Commonwealth.

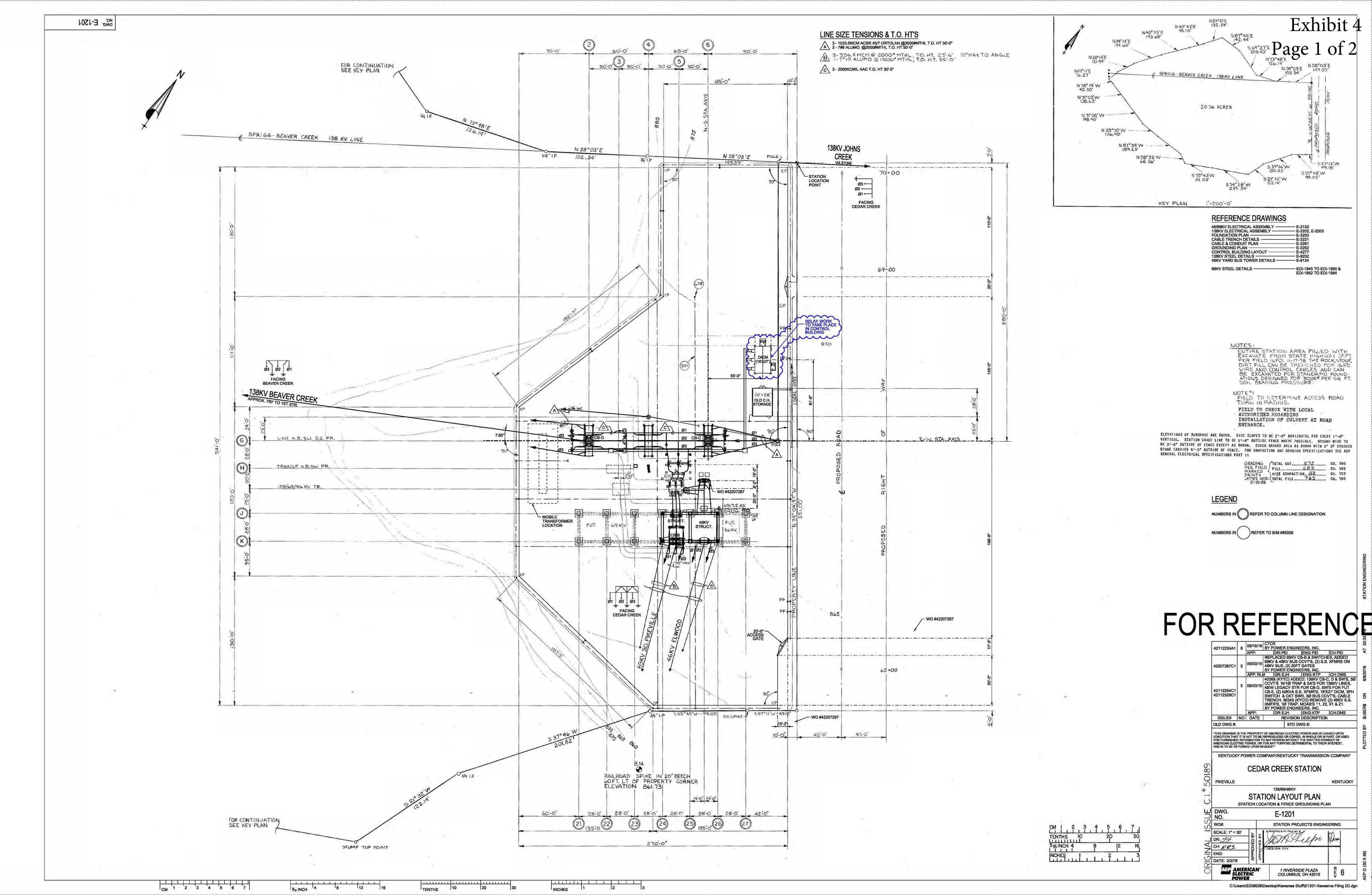


mehall J. adam

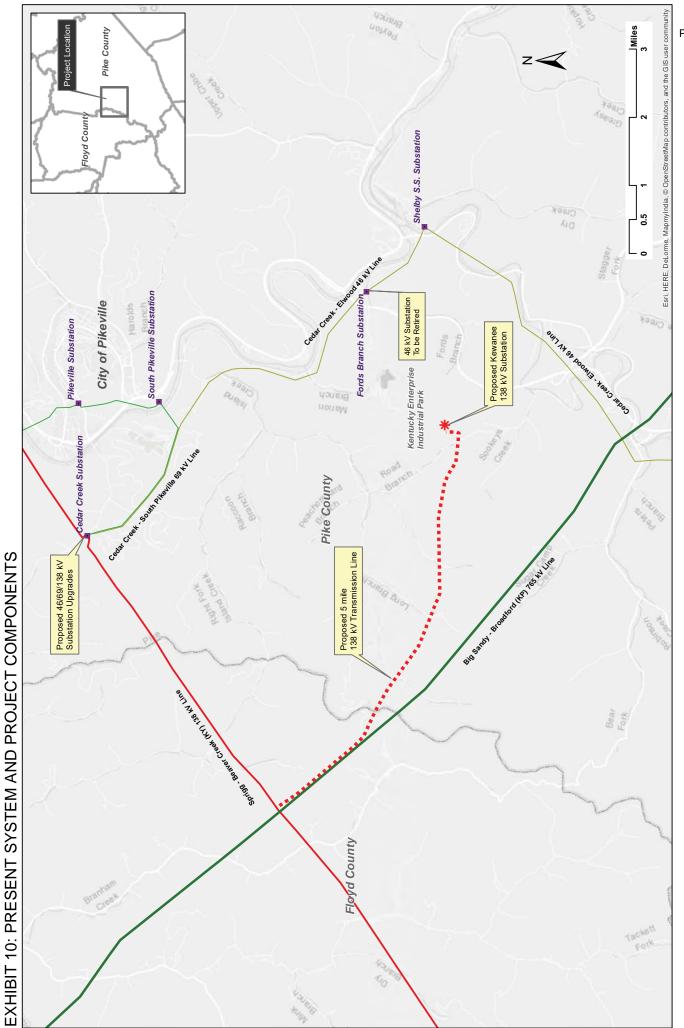
Michael G. Adams Secretary of State Commonwealth of Kentucky 234544/0028317













BOUNDLESS ENERGY"

138 kV Transmission Project

Exhibit 3: Proposed Route

Date: 7/2/2020 Sheet 1 of 2

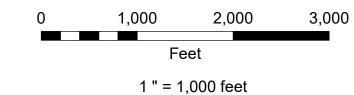
Proposed Route ----- Existing Transmission Line Proposed 100-foot ROW² Filing Corridor² Property Line Boundary w/ AEP-ID³ Parcel Purchased for Substation Land to be Purchased from the City of Pikeville

City of Pikeville

1) Shown is a preliminary design. This design is not the final route centerline or structure locations. Final line route and structure locations will be determined during final engineering, which includes ground survey and geotechnical and environmental studies. Nonetheless, the Company believes the centerline illustrated is the most suitable alignment based upon preliminary analysis.

2) A 100-foot wide right-of-way will be sited within the Filing Corridor. The Company needs the flexibility to shift the centerline within the Filing Corridor indicated as necessary after completion of the final engineering, Ground surveys and interviews with the landowners.

3) The PVA parcels are not based on an accurate ground survey and should not be construed or used as exact descriptions of legal boundaries. See Exhibit 11 for list of landowners in proposed ROW and Filing Corridor.







City of Pikeville