

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

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 (Kewanee-Enterprise)
Park 138 kV Transmission Project))

Case No. 2020-00062

DIRECT TESTIMONY OF

BRIAN K. WEST

ON BEHALF OF KENTUCKY POWER COMPANY

September 2020

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BRIAN K. WEST, ON BEHALF OF
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DIRECT TESTIMONY OF
BRIAN K. WEST
ON BEHALF OF KENTUCKY POWER COMPANY

I. INTRODUCTION

1

2 **Q. PLEASE STATE YOUR NAME, POSITION AND BUSINESS ADDRESS.**

3 A. My name is Brian K. West. My position is Director of Regulatory Services, Kentucky
4 Power Company (“Kentucky Power” or the “Company”). My business address is 1645
5 Winchester Avenue, Ashland, Kentucky 41101.

6

II. BACKGROUND

7 **Q. PLEASE SUMMARIZE YOUR EDUCATIONAL BACKGROUND AND**
8 **BUSINESS EXPERIENCE.**

9 A. I received an Associate’s degree in Applied Science (Electronics Technology) and a
10 Bachelor’s degree in Business Management, both from Ohio University, in 1987 and
11 1988, respectively. I obtained a Master of Business Administration degree from Ohio
12 Dominican University in 2008.

13 I began my utility industry career when I joined Ohio Power Company as a
14 customer services assistant in Portsmouth, Ohio in 1989. This was a supervisor-in-
15 training position, where I worked in each area of the office (*e.g.*, cashiering, new
16 service, and credit and collections) to gain knowledge and experience with every aspect
17 of managing an area office. After completing the training program, I initially
18 supervised meter readers in the Portsmouth office until being promoted to office
19 supervisor in 1993. In 1997, when the area offices were closed, I transferred to
20 Chillicothe, Ohio and accepted the position of customer services field supervisor, with

1 responsibility for managing customer field representatives who primarily worked with
2 customers on high-bill and other inquiries.

3 In 2000, after American Electric Power Company (“AEP”) merged with Central
4 and South West Corporation (“CSW”), I moved to Columbus, Ohio, where I held
5 various positions in Customer Operations, mostly in process improvement and
6 supporting regulatory filings. In 2008, I transferred to AEP’s Regulatory Services
7 department, where I supported various filings before public service commissions in
8 Arkansas, Indiana, Michigan, Ohio, Oklahoma, Tennessee, Texas, Virginia, and West
9 Virginia, as well as the Public Service Commission of Kentucky (“Commission”).

10 In 2010, I was promoted to regulatory case manager, with responsibility for
11 energy efficiency/demand response filings, integrated resource plan filings, and various
12 renewable filings across AEP’s service territory. In 2016, I moved to a case manager
13 role with primary responsibility for most Appalachian Power Company filings before
14 the Public Service Commission of West Virginia, the Virginia State Corporation
15 Commission, and the Tennessee Public Utility Commission. I assumed my current
16 position as Director of Regulatory Services for Kentucky Power in February 2019.

17 **Q. WHAT ARE YOUR RESPONSIBILITIES AS DIRECTOR OF REGULATORY**
18 **SERVICES FOR KENTUCKY POWER?**

19 A. I am responsible for the supervision and direction of Kentucky Power’s Regulatory
20 Services Department, which has responsibility for all rate and regulatory matters
21 involving the Company.

22

1 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THIS COMMISSION?**

2 A. Yes. I have submitted testimony in multiple proceedings before the Commission. Most
3 recently, I submitted testimony in Case No. 2020-00174 in support of the Company's
4 application for a general adjustment of its rates and other relief. I also submitted
5 testimony in Case No. 2019-00140, concerning the Commission's six-month review of
6 the Company's monthly environmental surcharge filings; Case No. 2019-00245 in
7 support of certain changes to the Company's residential energy assistance programs;
8 and Case No. 2020-00019 in support of a special contract. I also testified in Case No.
9 2019-00366 in connection with the Commission's investigation of the home energy
10 assistance programs of investor-owned utilities.

11 **III. PURPOSE OF TESTIMONY**

12 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

13 A. I am testifying in support of Kentucky Power's application for a certificate of public
14 convenience and necessity to build the "Kewanee-Enterprise Park 138 kV
15 Transmission Project" (the "Project"). Specifically, I:

- 16
- Provide an overview of the Project;

17

 - Introduce the other witnesses supporting the Company's Application;

18

 - Provide an overview of the right-of-way activities;

19

 - Detail the Company's compliance with the notice requirements for this
20 proceeding; and

21

 - Address the financial aspects of the Project.

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IV. THE PROJECT OVERVIEW

Q. PLEASE DESCRIBE THE PURPOSE OF THE PROJECT.

A. The Project is intended to address identified PJM Interconnection LLC ("PJM") Baseline thermal and voltage criteria violations on Kentucky Power's Pikeville area 46 kV subtransmission network. The Project was assigned the Baseline ID of b3087.1 through b3087.4, as further described by Company Witness Koehler.

Q. PLEASE DESCRIBE THE PROJECT.

A. The Project consists of three components to address the Baseline planning criteria violations: (1) the construction of approximately five miles of new double circuit 138 kV transmission line in Floyd and Pike counties, Kentucky (the "Kewanee 138 kV Transmission Line Extension"); (2) the construction of a new greenfield 138 kV substation (the "Kewanee 138 kV Substation"); and (3) the retirement of the existing Fords Branch 46 kV Substation. See Application **EXHIBIT 5** (Present System and Project Components).

Q. WILL KENTUCKY POWER COMPANY CONSTRUCT AND OWN ALL OF THE MAJOR COMPONENTS OF THE KEWANEE 138 kV SUBSTATION.

A. No. AEP Kentucky Transmission Company, Inc. ("Kentucky Transco") will construct and own a total of five 138 kV circuit breakers (3000A 40 kA) arranged in a four breaker ring bus configuration in the substation. The five 138 kV circuit breakers will provide switching and fault (overcurrent) protection for the four 138 kV bus positions of the ring layout and for a new capacitor bank. Subsequent to the Company's previous application conditionally approved by the Commission in Case No. 2018-00209, the Company, along with PJM, determined that a 28.8 MVAR capacitor bank would need

1 to be installed at the new Kewanee 138 kV Substation to help support 138 kV voltages
2 in the area after the load is moved from the 46 kV network to the 138 kV network.
3 Kentucky Transco will also construct and own this capacitor bank.

4 **Q. WHY IS KENTUCKY POWER PROVIDING INFORMATION TO THE**
5 **COMMISSION CONCERNING THE PORTION OF THE SUBSTATION TO**
6 **BE CONSTRUCTED AND OWNED BY KENTUCKY TRANSCO?**

7 A. The Commission previously found that Chapter 278 of the Kentucky Revised Statutes
8 did not provide the Commission with jurisdiction over Kentucky Transco.¹ Kentucky
9 Power is supplying this information to the Commission to provide the Commission
10 with a full understanding of the entirety of the work that will be performed at the
11 Kewanee 138 kV Substation. No authority is being sought from the Commission for
12 the portions of the project to be constructed and owned by Kentucky Transco.

13 **Q. WHAT WITNESSES WILL BE OFFERING TESTIMONY IN SUPPORT OF**
14 **KENTUCKY POWER'S APPLICATION.**

15 A. There are two additional witnesses providing testimony in support of the Application.
16 First, Company Witness Koehler will describe the PJM Baseline criteria violations and
17 the underlying needs that support the Project. Company Witness Koehler will also
18 outline the scope of work to be undertaken, identify alternative electrical solutions that

¹ Order, *In The Matter of: Application Of AEP Kentucky Transmission Company, Inc. For A Certificate Of Public Convenience And Necessity Pursuant TO K RS 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.”)

1 were evaluated along with the Project as proposed, and provide a summary of the
2 Project's advancement through the PJM review process.

3 Second, Company Witness Larson will describe the methodology employed in
4 the siting study that was used to identify the transmission line route and substation site.
5 Company Witness Larson will also explain the public outreach process, the results and
6 conclusions of the siting study, and the environmental studies and approvals that will
7 be required.

8 **V. CENTERLINE AND RIGHT-OF-WAY**

9 **Q. KENTUCKY POWER FILED MAPS ILLUSTRATING THE CENTERLINE**
10 **OF THE PROPOSED TRANSMISSION LINE AS EXHIBIT 6 TO ITS**
11 **APPLICATION. COULD THAT CENTERLINE CHANGE?**

12 A. Yes. Constructability issues, access requirements, and conditions that are not evident
13 until final engineering and landowner negotiations are complete may result in
14 Kentucky Power being required to place the identified centerline and adjacent right-of-
15 way outside the right-of-way indicated on **EXHIBIT 6**. The Company seeks authority
16 to relocate the centerline and associated right-of-way within the Filing Corridor if
17 required to address these conditions or issues. The Filing Corridor, also illustrated on
18 **EXHIBIT 6**, consists of two strips of a buffered area surrounding the centerline and
19 right-of-way that allows flexibility for minor adjustments that result during final
20 engineering.

21 **Q. WHAT IS THE WIDTH OF THE FILING CORRIDOR?**

22 A. It varies. The Filing Corridor for the 1.3 miles of the Kewanee 138 kV Transmission
23 Line Extension that parallels the existing Big Sandy–Broadford 765 kV Transmission

1 Line is 500 feet to the northeast of the centerline. The remaining 3.7 miles of the Filing
2 Corridor is generally 1,000 feet wide (500 feet on each side of the proposed centerline)
3 for the balance of the line, except for a 2,000 foot section of centerline between
4 proposed structures 6 and 8 (near the crossing of Left Fork Island Creek Road) where
5 the Filing Corridor is expanded to 1,500 feet wide (about 500 feet to the south of the
6 centerline and 1,000 feet to the north of the centerline). The expanded Filing Corridor
7 is required to mitigate known mining risks and allow for added design flexibility in
8 rugged topography in this area.

9 **Q. IS KENTUCKY POWER SEEKING UNLIMITED DISCRETION TO**
10 **RELOCATE THE TRANSMISSION LINE AND RIGHT-OF-WAY?**

11 A. No. Kentucky Power is seeking authority to move the centerline and associated right-
12 of-way only within the limits of the indicated Filing Corridor.

13 **Q. WERE OWNERS OF PROPERTY LOCATED IN THE FILING CORRIDOR**
14 **PROVIDED MAILED NOTICE OF THE COMPANY'S APPLICATION?**

15 A. Yes. Persons owning property within the Filing Corridor were mailed the same notice
16 provided to persons owning property within the indicated right-of-way.

17 **Q. DOES THE REQUESTED AUTHORITY TO RELOCATE THE CENTERLINE**
18 **AND RIGHT-OF-WAY WITHIN THE FILING CORRIDOR DIFFER FROM**
19 **THAT GRANTED BY THE COMMISSION IN OTHER KENTUCKY POWER**
20 **CASES?**

21 A. Yes. Kentucky Power always retained the ability to exercise its eminent domain rights
22 with respect to property lying within the indicated right-of-way. However, in earlier
23 applications, Kentucky Power offered to forego its eminent domain rights if it were

1 required to move the centerline (or associated right-of-way) into the Filing Corridor,
2 and if it were unable to secure the required property rights through agreement.
3 Although Kentucky Power intends to negotiate in good faith with affected landowners
4 in the Filing Corridor to secure the required right-of-way, it cannot agree at this time
5 to forego its eminent domain rights if the Company were required to move the
6 centerline or right-of-way into the Filing Corridor and it could not secure the required
7 right-of-way by agreement.

8 **Q. WHAT IS DIFFERENT ABOUT THE PROJECT THAT REQUIRES**
9 **KENTUCKY POWER TO CHANGE ITS APPROACH TO PROPERTY**
10 **ACQUISITION IN THE FILING CORRIDOR?**

11 A. There are two differences that increase the probability that the centerline or right-of-
12 way may have to be relocated into the Filing Corridor, or that make the need for an
13 eminent domain action more likely. The first difference is the rugged nature of the
14 terrain the line crosses, particularly once it diverges from its route parallel to the
15 existing Big Sandy–Broadford 765 kV Transmission Line. This rugged terrain
16 increases the probability that some portion of the line may have to be relocated because
17 of the topography and geotechnical characteristics of the area. The topography also
18 makes it more likely that any required relocation cannot be addressed by slight
19 adjustments in the route. This larger relocation in turn increases the probability the
20 centerline and right-of-way will be shifted into the Filing Corridor.

21 **Q. WHAT IS THE SECOND DIFFERENCE?**

22 A. Kentucky Power recently completed its review of the title to the property underlying
23 the indicated centerline and right-of-way. Although the title examination was limited

1 to the indicated centerline and right-of-way, some of these parcels also extend into the
2 Filing Corridor. The address of record in the office of the property valuation
3 administrator for one parcel (parcel 9 on EXHIBIT 11) is incomplete or inaccurate.
4 Mailings by Kentucky Power to this address, as well as additional addresses identified
5 by the Company, have been returned as undeliverable. As of this filing, the Company
6 has been unable to secure an address for Parcel 9 that is more accurate. If Kentucky
7 Power is unable to locate the owner of the parcel, and if it is required to move the
8 centerline or right-of-way into the Filing Corridor, it may be required to file an eminent
9 domain action to acquire title to the required right-of-way.

10 **Q. WILL THE COMMISSION BE INFORMED OF THE FINAL LOCATION OF**
11 **THE LINE AND THE ADJACENT RIGHT-OF-WAY?**

12 A. Yes. Kentucky Power will file with the Commission a revised plan showing the final
13 location of the proposed line, structures, and the proposed Kewanee 138 kV Substation
14 after construction is completed.

15 **VI. CONSTRUCTION SCHEDULE**

16 **Q. WHEN DOES KENTUCKY POWER PROPOSE TO BUILD THE**
17 **TRANSMISSION LINE AND THE SUBSTATION IF THE CERTIFICATE IS**
18 **GRANTED?**

19 A. The Company anticipates beginning construction during the last quarter of 2021 and
20 completing all work (including restoration) by the second quarter of 2024. The
21 planned in-service date sequence is as follows:

- 22 • **Fourth Quarter of 2021:** Begin construction of access roads to the Kewanee
23 138 kV Transmission Line Extension locations and tree clearing for the
24 transmission line.

- 1 • **First Quarter of 2022:** Begin construction of the Kewanee 138 kV
2 Substation, the Kewanee 138 kV Transmission Line Extension, and associated
3 34 kV distribution circuits.
- 4 • **November 2023:** Place the Project in service.
- 5 • **Second Quarter of 2024:** The existing Fords Branch 46 kV Substation will
6 be retired after the distribution tie line from the new Kewanee–Robinson
7 Creek 34.5 kV distribution circuit is completed and connected to the existing
8 Fords Branch – Robinson Creek 34.5 kV distribution circuit. There will be a
9 new access road constructed from the Kentucky Enterprise Industrial Park to
10 the east to U.S. Route 23. The new Kewanee–Robinson Creek 34.5 kV
11 distribution circuit will be constructed along the right-of-way of this new
12 access road. The construction of Kewanee–Robinson Creek 34.5 kV
13 distribution circuit cannot begin until the new access road is completed.

VII. NOTICES

14

15 **Q. DID KENTUCKY POWER COMPLY WITH THE REQUIREMENTS OF 807**
16 **KAR 5:120, SECTION 2(3) BY PROVIDING NOTICE TO ADJOINING**
17 **LANDOWNERS WHOSE PROPERTY MIGHT BE AFFECTED BY THE**
18 **PROJECT?**

19 A. Yes. Kentucky Power mailed notices to the owners of record of all parcels within the
20 proposed right-of-way and the Filing Corridor using the addresses for the subject
21 parcels shown in the offices of the property valuation administrators for Floyd County
22 and Pike County.²

23 **Q. WHEN WAS THE LANDOWNER NOTICE MAILED?**

24 A. The required landowner notice was mailed on August 31, 2020. The list of landowners
25 within the proposed right-of-way and Filing Corridor to whom the notice was mailed

² Certain 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.

1 is attached as **EXHIBIT 11** to the Application. The required verification of mailing is
2 attached as **EXHIBIT 12** to the Application.

3 **Q. DID THE AUGUST 31, 2020 MAILED NOTICE CONTAIN THE**
4 **INFORMATION REQUIRED BY 807 KAR 5:120, SECTION 2(3)(A)-(E)?**

5 A. Yes. The form of the notice is attached to the Application as **EXHIBIT 12**.

6 **Q. DID KENTUCKY POWER PREVIOUSLY ATTEMPT TO REACH THE**
7 **LANDOWNERS USING THE RECORDS OF THE TWO PROPERTY**
8 **VALUATION ADMINISTRATORS?**

9 A. Yes. Kentucky Power has been able to contact all landowners along the Proposed
10 Route right-of-way, with the exception of one landowner. Prior mailings to the owner
11 of parcel 9 using the address of record in the office of the Floyd County Property
12 Valuation Administrator were returned as undeliverable. Subsequent efforts to reach
13 the owner also proved unsuccessful. Kentucky Power will continue to search for the
14 owner.

15 **Q. DID KENTUCKY POWER MAIL NOTICES TO THE RECORD OWNER OF**
16 **PARCEL 9?**

17 A. Yes. The required landowner notice was mailed to the address of record in the office
18 of the Floyd County Property Valuation Administrator for the parcel to comply with
19 807 KAR 5:120, Section 2(3). The Company has identified additional addresses in an
20 attempt to contact the owner of this parcel. However, these attempts have been
21 unsuccessful.

1 **Q. DID KENTUCKY POWER PUBLISH THE REQUIRED NOTICE IN THE**
2 **FLOYD COUNTY AND PIKE COUNTY NEWSPAPERS OF RECORD?**

3 A. Yes. The required notices of the Company's intent to construct the Project and of this
4 proceeding were published on August 5, 2020, in the *Floyd County Times* and August
5 4, 2020, in the *Appalachian News Express*. The published notices contained all
6 information required by 807 KAR 5:120, Section 2(5). A copy of the published notice
7 and the affidavit of publication are attached as **EXHIBIT 13**.

8 **VIII. FINANCIAL ASPECTS OF THE PROJECT**

9 **Q. WHAT IS THE PROJECTED COST OF THE PROJECT?**

10 A. The total detailed estimate of the Company's share of the Project cost is \$35.2 million.
11 That sum comprises: (a) approximately \$19.9 million for transmission line work
12 including right-of-way acquisition; (b) approximately \$14.1 million for Company's
13 share of the new Kewanee 138 kV Substation; (c) \$0.7 million for the retirement of the
14 Fords Branch 46 kV Substation; and (d) \$0.5 million for the Cedar Creek 138 kV
15 Substation upgrade.

16 **Q. DOES THE \$35.2 MILLION COST ESTIMATE DESCRIBED ABOVE AND**
17 **SET OUT IN THE APPLICATION REPRESENT A FIXED AND FINAL**
18 **COST?**

19 A. No. The estimate represents the best engineering assessment of the costs as of the date
20 of this Application. The exact cost will not be known until the Project is complete.

21 **Q. HOW WILL THE PROJECT COST BE FUNDED?**

22 A. Kentucky Power anticipates funding the cost of the transmission line extension and the
23 substation through its normal operating cash flow and other internally generated funds.

1 The costs of this Baseline Project will be recovered in Kentucky Power's FERC-
2 approved transmission formula rate. The Company will include, as appropriate, the
3 costs associated with the Project in its next general rate case.

4 **Q. WILL THE COST OF THE PROJECT MATERIALLY AFFECT THE**
5 **FINANCIAL CONDITION OF KENTUCKY POWER COMPANY?**

6 A. No. Kentucky Power's assets, net of regulatory assets and deferred charges, as of
7 March 31, 2020, totaled \$1,849,615,357. The cost of the Project thus represents an
8 increase of approximately 1.90 percent in those assets. Kentucky Power will not need
9 to secure any additional financing to complete the Project nor will it affect the
10 completion of any other current capital project.

11 **Q. WHAT IS THE PROJECTED COST OF OPERATION FOR THE PROPOSED**
12 **FACILITIES AFTER THEY ARE COMPLETED?**

13 A. Kentucky Power projects the Company's share of the annual operating cost will be
14 approximately \$19,100 for general maintenance and inspection. The projected annual
15 additional ad valorem taxes resulting from the Company's share of the Project are
16 expected to total approximately \$362,400.

17 **Q. WILL THE IMPLEMENTATION OF THE PROJECT AS PROPOSED**
18 **RESULT IN WASTEFUL DUPLICATION?**

19 A. No. The Project is required to address Baseline thermal and voltage criteria violations
20 and is mandated by PJM. The Project will not duplicate any existing facilities in an
21 area and will not result in an excess of capacity over need, or excess investment in
22 relation to the productivity and efficiency to be gained. Finally, Kentucky Power

1 performed a thorough review of all reasonable alternatives and selected the most
2 appropriate and cost-effective solution.

3 **IX. STAKEHOLDER INPUT**

4 **Q. IS THE PROJECT DENOMINATED A BASELINE PROJECT BY PJM?**

5 A. Yes, this is a Baseline Project. Company Witness Koehler provides further information
6 regarding the Company's PJM submission.

7 **Q. HAVE RELEVANT STAKEHOLDERS BEEN AFFORDED AN**
8 **OPPORTUNITY TO PROVIDE INPUT REGARDING THE PROPOSED**
9 **TRANSMISSION LINE ROUTE?**

10 A. Yes. Representatives of Kentucky Power and POWER Engineers, Inc., the Company's
11 siting expert, met with multiple Pike County and City of Pikeville officials, including
12 the Pike County Deputy Judge-Executive, the Pike County Director of Economic
13 Development, and the Pikeville City Manager. Conversations were also held with the
14 Floyd County Judge-Executive. The Company also met with right-of-way landowners
15 (other than one owner of a parcel who cannot be located) to apprise them of the details
16 of the Project. Further, the Company worked with stakeholders to address their
17 reasonable concerns regarding the Project. Finally, Kentucky Power and POWER
18 Engineers, Inc. employed multiple media channels to apprise all stakeholders of the
19 Project. The full details of the Company's efforts to engage all stakeholders are
20 provided in Ms. Larson's testimony.

21 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

22 A. Yes.

VERIFICATION

The undersigned, Brian K. West, being duly sworn, deposes and says he is the Director of Regulatory Services 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.



Brian K. West

Commonwealth of Kentucky)
)
County of Boyd)

Case No. 2020-00062

Subscribed and sworn before me, a Notary Public, by Brian K. West this
31st day of August, 2020.



Notary Public

My Commission Expires 9-26-2023

