

May 15, 2026

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ELECTRONICALLY FILED

Linda C. Bridwell
Executive Director
Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, KY 40602-0615

RE: **Case No. 2021-00346** (Post-Case Correspondence File)

Dear Ms. Bridwell:

By this letter, Kentucky Power Company provides the Commission with an update to the cost for the Garrett Area Improvements 138 KV Transmission Project (“Project”), for which the Commission approved a certificate of convenience and public necessity (“CPCN”) to construct by its Order dated March 8, 2022, in the above-referenced case.

For the reasons stated below, the Company estimates that the cost of the project will increase to approximately \$170,000,000.

The main drivers for the cost increase for this Project are required structure redesigns resulting from the Kentucky Department of Transportation’s denial of a Temporary Construction Entrance at one site and steep terrain at another site. The route change has increased costs, expanded engineering requirements, and required additional vegetation management work. The redesign has also resulted in increased indirect costs associated with this change in scope for the Project. Finally, the Company was also required to incorporate a substantial contingency fund to address heightened geotechnical and constructability risks from the route change.

Since receiving the Commission’s order granting the CPCN, the Company has worked diligently to complete the Project in the most cost-effective manner possible in light of the route change. While the Company must inform PJM of this change in its next regular quarterly report, no project modifications other than the cost need to be made at PJM.

The Company will provide the Commission with additional updates, like this one, regarding the Project cost upon any material change.

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Please do not hesitate to contact me if you have any questions.

Very truly yours,

STITES & HARBISON PLLC

A handwritten signature in blue ink, appearing to read "K. Gish, Jr.", enclosed within a large, loopy blue oval scribble.

Kenneth J. Gish, Jr.

KJG