

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

The Electronic Application Of Kentucky Power)
Company For A Certificate Of Public Convenience)
And Necessity To Construct 69kV Transmission)
Lines And Associated Facilities In Pike County,)
Kentucky (“Belfry Area Transmission Line Project”))

Case No. 2023-00040

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

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TABLE OF CONTENTS

<u>SECTION</u>	<u>PAGE</u>
I. INTRODUCTION	1
II. BACKGROUND	1
III. PURPOSE OF TESTIMONY	3
IV. THE PROJECT OVERVIEW	6
V. CENTERLINE AND ROW.....	9
VI. CONSTRUCTION SCHEDULE.....	14
VII. NOTICES.....	15
VIII. FINANCIAL ASPECTS OF THE PROJECT.....	16
IX. STAKEHOLDER INPUT.....	18

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I. INTRODUCTION

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

2 A. My name is Brian K. West. My position is Vice President, Regulatory & Finance for
3 Kentucky Power Company (“Kentucky Power” or the “Company”). My business
4 address is 1645 Winchester Avenue, Ashland, Kentucky 41101.

II. BACKGROUND

5 **Q. PLEASE SUMMARIZE YOUR EDUCATIONAL BACKGROUND AND**
6 **BUSINESS EXPERIENCE.**

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

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

1 supervisor in 1993. In 1997, when the area offices closed, I transferred to Chillicothe,
2 Ohio and accepted the position of customer services field supervisor, with
3 responsibility for managing customer field representatives who primarily worked with
4 customers on high-bill and other inquiries.

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

12 In 2010, I was promoted to regulatory case manager, with responsibility for
13 energy efficiency/demand response filings, integrated resource plan filings, and various
14 renewable filings across AEP’s service territory. In 2016, I moved to a case manager
15 role with primary responsibility for most Appalachian Power Company filings before
16 the Public Service Commission of West Virginia, the Virginia State Corporation
17 Commission, and the Tennessee Public Utility Commission. I accepted the position of
18 Director of Regulatory Services for Kentucky Power in February 2019. I assumed my
19 current position as Vice President, Regulatory & Finance for Kentucky Power
20 Company in January 2021.

21 **Q. WHAT ARE YOUR RESPONSIBILITIES AS VICE PRESIDENT,**
22 **REGULATORY & FINANCE FOR KENTUCKY POWER?**

1 A. I am primarily responsible for managing the regulatory and financial strategy for
2 Kentucky Power. This includes planning and executing rate filings for both federal and
3 state regulatory agencies, as well as filings for certificates of public convenience and
4 necessity before this Commission. I am also responsible for managing the Company's
5 financial operating plans. Included as part of this responsibility is the preparation and
6 coordination of various capital and operation and maintenance ("O&M") budgets to
7 ensure that adequate resources such as debt, equity, and cash are available to build,
8 operate, and maintain Kentucky Power's electric system assets used to provide service
9 to the Company's retail and wholesale customers.

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

11 A. Yes. I have filed testimony in support of Kentucky Power's various regulatory filings
12 since 2019. Specifically, I filed testimony in Case Nos. 2021-0346 and 2022-00118 in
13 support of the Company's certificate of public convenience and necessity ("CPCN")
14 applications for the Garrett Area Improvements Project and the Wootton-Stinnett
15 161kV Transmission Rebuild Project, which were granted by this Commission. I also
16 filed testimony in the Company's previous application for a CPCN to construct the
17 Belfry Area Transmission Line Project, Case No. 2022-00236, which was denied
18 without prejudice by this Commission.

III. PURPOSE OF TESTIMONY

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

20 A. I am testifying in support of Kentucky Power's application for a certificate of public
21 convenience and necessity to build the "Belfry Area Transmission Line Project" (the
22 "Project"). Specifically, I will:

- 1 • Provide an overview of the Project;
- 2 • Introduce the other witnesses supporting the Company’s Application;
- 3 • Provide an overview of the right-of-way (“ROW”) activities
- 4 • Detail the Company’s compliance with the notice requirements for this
- 5 proceeding; and
- 6 • Address the financial aspects of the Project.

7 **Q. WHAT WITNESSES WILL BE OFFERING TESTIMONY IN SUPPORT OF**
8 **KENTUCKY POWER’S APPLICATION?**

9 A. Two additional witnesses provide testimony in support of the Application. First,
10 Company Witness Koehler describes the process for the review of the underlying needs
11 and solutions (*i.e.*, the proposed Project) under PJM's Regional Transmission
12 Expansion Plan (“RTEP”) for projects needed due to equipment condition,
13 performance and reliability needs. Company Witness Koehler will also outline the
14 scope of work to be undertaken, identify alternative electrical solutions that were
15 evaluated along with the Project as proposed, and provide a summary of the Project’s
16 advancement through the PJM review process.

17 Second, Company Witness Reese will describe the methodology employed in
18 the siting study that was used to identify the transmission line route and substation
19 sites. Company Witness Reese also explains the public outreach process, the results
20 and conclusions of the siting study, and the environmental studies and approvals that
21 will be required.

22 **Q. IS THIS APPLICATION SIMILAR TO THE APPLICATION FILED IN CASE**
23 **NO. 2022-00236?**

1 A. Yes. Here, like in Case No. 2022-00236, the Company seeks a CPCN to construct the
2 Belfry Area Transmission Line Project. In Case No. 2022-00236, the Commission, by
3 its Order dated January 5, 2023, denied the Company’s application for a CPCN without
4 prejudice. The Commission found that “Kentucky Power ha[d] established sufficient
5 evidence to demonstrate that the proposed transmission project is needed to provide
6 adequate, efficient and reasonable service.”¹ However, the Commission also found that
7 “Kentucky Power ha[d] failed to show that the proposed project is the least cost, most
8 reasonable solution to meet the well-documented need for improved transmission
9 facilities in the Belfry area.”² Thus, the Commission held that “there [was] insufficient
10 evidence in the record to demonstrate that the proposed project does not result in
11 wasteful duplication.”³

12 The proposed Project described in this application is the same as the proposed
13 Project presented in Case No. 2022-00236. However, in this application, the Company
14 provides additional evidence to address the Commission’s basis for its previous
15 denial⁴, which demonstrates that the proposed solution is the least cost, most reasonable
16 solution to meet the need in the area, and that the proposed solution will not result in
17 wasteful duplication. The Company evaluated alternative solutions to the proposed
18 solution that the Company ultimately found did not meet the need in the area and/or
19 ultimately would cost substantially more than the proposed solution. The specifics of

¹ Order at 20, *In The Matter Of: Electronic Application Of Kentucky Power Company For A Certificate Of Public Convenience And Necessity To Construct 69kV Transmission Lines And Associated Facilities In Pike County, Kentucky*, Case No. 2022-00236 (Ky. P.S.C. January 5, 2023).

² *Id.* at 22.

³ *Id.*

⁴ *Id.*

1 those alternatives as well as the estimated costs to construct each are shown in **EXHIBIT**
2 **22** (Comparison of Project with Alternative Solutions 1 and 2) and are addressed more
3 fully by Company Witness Koehler.

IV. THE PROJECT OVERVIEW

4 **Q. PLEASE DESCRIBE THE PURPOSE OF THE PROJECT.**

5 A. The Project is a Baseline and asset renewal project intended to address aging
6 infrastructure and voltage violations.⁵ The Project involves building approximately 6.5
7 miles of 69kV transmission line, retiring 8.2 miles of existing 46kV transmission line,
8 building the proposed Orinoco 69kV Substation, and retiring the existing Belfry 46kV
9 Substation. The Project is being constructed to allow for the retirement of 8.2 miles of
10 46kV transmission line between the existing Spriggs and Stone Substations.
11 Approximately 6.5 miles of this retirement is located in Kentucky with the remainder
12 in West Virginia. Company Witness Koehler provides further details regarding the
13 Project's purposes and benefits.

14 **Q. HAS THE PROJECT BEEN SUBMITTED TO PJM INTERCONNECTION**
15 **LLC ("PJM")?**

16 A. Yes. PJM assigned the Project the Baseline ID of b3288 and Supplemental ID of s2446.
17 Further details of the Project's status before PJM are provided by Company Witness
18 Koehler.

19 **Q. PLEASE DESCRIBE THE PROJECT.**

20 A. The Project consists of five Baseline and seven Supplemental components.

⁵ Baseline and Supplemental projects (asset renewal projects are a subset of the latter) are further defined in the testimony of Company Witness Koehler at p. 6.

1 The five Baseline components include:

2 (1) The construction of approximately 4.2 miles of 69kV transmission line from the
3 existing New Camp Substation to the proposed Orinoco Substation;

4 (2) The construction of approximately 2.3 miles of 69kV transmission line from the
5 proposed Orinoco Substation to the existing Stone Substation;

6 (3) At the Stone Substation, Circuit breaker A will remain in place and be utilized as
7 the T1 low-side breaker. Circuit Breaker B will remain in place, obviating the need for
8 new foundations, but electrically will now be used as the new Hatfield (via Orinoco
9 and New Camp) 69kV breaker. A new 69kV Circuit Breaker E will be added for the
10 Coleman Line exit in this substation. As noted in the Supplemental work described
11 below, existing 46kV equipment will be retired from this Substation;

12 (4) The New Camp 69kV Tap will be reconfigured. This will include access road
13 improvements/installation, temporary wire and permanent wire work along with dead
14 end structures installation; and,

15 (5) At New Camp Substation, rebuild the 69kV bus, add 69kV motor-operated air break
16 switch (“MOAB”) and replace the 69kV Ground switch Z1 with a 69kV Circuit
17 Switcher on the New Camp Transformer. Company Witness Koehler describes the
18 temporary work in more detail.

19 **Q. PLEASE DESCRIBE THE SEVEN SUPPLEMENTAL COMPONENTS OF**
20 **THE PROJECT.**

21 A. The Supplemental components include:

1 (1) Replacing the Belfry Substation with the Orinoco Substation by installing a 69kV
2 double box bay and 12kV rural bay to be built in the clear southwest of existing Belfry
3 station, and install 69/12kV 20 MVA transformer and three 12kV breakers;

4 (2) Retiring Belfry 46kV Substation;

5 (3) Retiring 46kV equipment from Stone Substation;

6 (4) Replacing MOAB Y at the Hatfield Substation with a 69kV Circuit Breaker towards
7 Stone Substation (via New Camp and Orinoco Substations);

8 (5) Retiring the 46kV equipment at Spriggs Substation towards Stone Substation (via
9 Belfry Substation);

10 (6) Retiring 0.75 miles of the Turkey Creek 69kV Tap transmission line; and

11 (7) Retiring approximately 8.2 miles of the 46kV Sprigg – Stone 46kV Circuit.

12 See **EXHIBIT 4** (Proposed Route Maps) to the Application for more information
13 regarding the substation upgrades proposed in the Project.

14 Company Witness Koehler describes each of these components in more detail,
15 and addresses the need for the work, including the components, and the benefits
16 provided.

17 **Q. WILL KENTUCKY POWER COMPANY CONSTRUCT AND OWN ALL OF**
18 **THE COMPONENTS OF THE PROPOSED PROJECT?**

19 A. Yes. This is in response to the Commission’s January 13, 2021 Order in Case No. 2020-
20 00174 at pages 59-64.

21 **Q. WILL AEP KENTUCKY TRANSMISSION COMPANY, INC. CONSTRUCT,**
22 **OWN, OR OPERATE ANY OF THE PROJECT COMPONENTS?**

23 A. No.

V. CENTERLINE AND ROW

1 **Q. KENTUCKY POWER FILED MAPS ILLUSTRATING THE PROPOSED**
2 **CENTERLINE OF THE REBUILT TRANSMISSION LINE AND EXPANDED**
3 **RIGHT OF WAY AS EXHIBIT 4 (PROPOSED ROUTE MAPS) TO ITS**
4 **APPLICATION. COULD THAT CENTERLINE CHANGE?**

5 A. Yes. Constructability issues, access requirements, and conditions that are not evident
6 until final engineering, or that arise as a result of landowner negotiations may result in
7 Kentucky Power being required to place the identified centerline and adjacent ROW
8 outside the ROW indicated on **EXHIBIT 4** (Proposed Route Maps).

9 **Q. HOW DOES THE COMPANY PROPOSE TO ADDRESS CHANGES TO THE**
10 **CENTER LINE IF NECESSARY?**

11 A. Consistent with the guidance provided by the Commission's April 13, 2022 Order in
12 Case No. 2021-00346, the Company seeks authority to relocate the centerline and
13 associated ROW up to 200 feet in any direction from the location as shown on the maps
14 filed with the Application if required to address these conditions or issues. This nearly
15 400-foot-wide area is consistent with the width of the proposed ROW at its widest
16 points, and as illustrated on **EXHIBIT 4** (Proposed Route Maps) consists of two strips
17 of a buffered area surrounding the centerline and ROW that allows flexibility for minor
18 adjustments that result during final engineering. If a change within this area becomes
19 necessary, the Company proposes that it would file a motion in this proceeding to
20 request approval to move the centerline more than 200 feet in any direction from the
21 centerline, as it appears on the maps filed into the record in this proceeding in **EXHIBIT**
22 **4** (Proposed Route Maps). The motion would identify the proposed new location of the

1 centerline, the affected landowner(s), and state in detail, and with technical specificity,
2 the need for the proposed modification of the centerline. Kentucky Power would serve
3 the motion for approval to move the centerline on any affected landowner(s), even if
4 not a party to this proceeding. The Company respectfully requests that upon receiving
5 adequate information to consider the request, the Commission use its best efforts to
6 rule upon such motions within 14 days.

7 **Q. WHY SHOULD THE COMMISSION ALLOW FOR CHANGES UP TO 200**
8 **FEET IN ANY DIRECTION?**

9 A. An area of 200 feet in any direction is consistent with the width of the proposed ROW
10 at its widest point, nearly 400 feet wide. The ability to relocate the centerline within
11 this area is necessary to address issues that may emerge in connection with ground
12 surveys, final engineering, and ROW negotiations.

13 **Q. WHAT IS THE WIDTH OF THE PROPOSED ROW?**

14 A. The width of the proposed ROW is 100 feet. The Company may extend the ROW
15 beyond 100 feet when required for engineering, safety, and construction reasons. The
16 following proposed ROW widths are expected to extend beyond the 100 feet due to
17 conductor sway during high wind conditions in the current design:

- 18 • Span 5 – 6: 130ft
- 19 • Span 11 – 12: 120ft
- 20 • Span 15 – 16: 160ft
- 21 • Span 18 – 19: 120ft
- 22 • Span 21 – 22: 130ft
- 23 • Span 32 – 33: 360ft
- 24 • Span 33 – 34: 130ft
- 25 • Span 34 – 35: 110ft
- 26 • Span 35 – 36: 130ft

1 **Q. HOW DO THESE PROPOSED ROW WIDTHS COMPARE TO THE NORTH**
2 **AMERICAN ELECTRIC RELIABILITY COUNCIL (“NERC”) ROW**
3 **REQUIREMENTS FOR 46 AND 69kV TRANSMISSION LINES?**

4 A. NERC standards require that the width of secured transmission line ROW shall be
5 sufficient that the installed facilities can operate to their full design capacity without
6 limitations from current or reasonably anticipated changes in land use within or beyond
7 the limits of the secured ROW. For transmission lines of voltages of 69kV and below
8 composed primarily of H-frame construction, the typical ROW width is 100 feet. A
9 width of 100 feet has historically been adequate to establish conductor clearances to
10 the edge of ROW. Steep mountainous terrain, long span lengths, and varying structure
11 types are a few of the factors that may influence the need for additional width. At a
12 minimum, the determined final ROW extents must encompass conductor sway,
13 structure components, and sufficient clearances to vegetation in order to maintain a
14 reliable electric transmission system while accounting for the adequate safety of the
15 public.

16 **Q. WHAT IS ‘CONDUCTOR SWAY’? HOW DOES THIS IMPACT ROW**
17 **WIDTHS FOR TRANSMISSION LINE PROJECTS?**

18 A. Conductor sway is defined as the distance from the overhead conductor at rest to the
19 physical location of the conductor when displaced by wind. The wind is applied in
20 multiple directions to determine the maximum conductor displacements, both left and
21 right, from centerline. Adequate ROW should be obtained to encompass the resulting
22 conductor zone; the area defined by the position of outermost conductors, extended
23 vertically to ground, when the conductors are displaced by 6 psf (~48 mph) and are at

1 60° F. The wind is applied in multiple directions to determine the maximum conductor
2 displacements, both left and right, from centerline.

3 **Q. ARE THE SEGMENTS DESCRIBED IN YOUR TESTIMONY ABOVE MORE**
4 **SUSCEPTIBLE TO CONDUCTOR SWAY THAN OTHER SEGMENTS IN**
5 **THE NEW LINE?**

6 A. Yes, the Company has identified these particular spans as more susceptible to
7 conductor sway in high wind conditions based on the current preliminary design. The
8 Company identified the spans on pages 10-11 of this testimony as susceptible to
9 conductor sway beyond the standard 100-foot ROW. It is possible that other spans may
10 in the future be identified as susceptible to conductor sway issues. As stated in the
11 Application, changes within the specified corridor are possible until landowner
12 negotiations, (environmental, cultural, and geological) studies, and final engineering
13 are completed. These changes have the potential to impact the identified spans and/or
14 classify additional spans.

15 **Q. UNDER WHAT CONDITIONS WOULD THE COMPANY ACQUIRE ROW**
16 **GREATER THAN 100 FEET?**

17 A. In certain areas, the Company may extend the ROW beyond 100 feet to accommodate
18 guy wires that extend more than 60 feet from the centerline. In connection with certain
19 long spans, and where needed to allow for tree-clearing on the uphill side of the
20 centerline to prevent trees from falling into the line or its structures, the ROW will
21 extend to 150 feet (75 feet on each side of the centerline). In cases of unusually steep
22 terrain or extremely long spans, the Company may acquire ROW that extends to 350-

1 400 feet (175 to 200 feet on each side of the centerline) or more for the reasons indicated
2 above.

3 **Q. IS KENTUCKY POWER SEEKING UNLIMITED DISCRETION TO**
4 **RELOCATE THE TRANSMISSION LINE AND ROW?**

5 A. No. Kentucky Power is seeking authority to move the centerline and associated ROW
6 only within the limits indicated above.

7 **Q. WERE OWNERS OF PROPERTY LOCATED WITHIN 400 FEET OF THE**
8 **CENTERLINE PROVIDED MAILED NOTICE OF THE COMPANY'S**
9 **APPLICATION?**

10 A. Yes, the Company provided notice to persons owning property crossed by or adjacent
11 to the Proposed Route for the Project. Persons owning property within this notification
12 corridor were mailed the same notice provided to persons owning property within the
13 indicated ROW. The full details of the Company's efforts to engage all landowners
14 within or adjacent to Proposed Route for the Project is further described in Company
15 Witness Reese's testimony as well as the Siting Study found in **EXHIBIT 10**.

16 **Q. WILL THE COMMISSION BE INFORMED OF THE FINAL LOCATION OF**
17 **THE LINE AND THE ADJACENT ROW?**

18 A. Yes. Kentucky Power will file with the Commission a revised plan showing the final
19 location of the proposed line, structures, and the proposed substation after construction
20 is completed.

21 **Q. HAS THE COMMISSION GRANTED A SIMILAR REQUEST BY THE**
22 **COMPANY IN A PREVIOUS TRANSMISSION CPCN APPLICATION?**

1 A. Yes, the Company made the same request to shift the centerline up to 200 feet in either
2 direction of the location that appeared on the map it submitted with its application in
3 Case No. 2022-00118 (“Wooton-Stinnett 161kV Transmission Rebuild Project”).⁶ The
4 Commission granted the Company’s request, finding that the “request [was] reasonable
5 in light of the nature of the terrain over which the proposed facilities will traverse, and
6 the need for flexibility in response to landowner concerns.”⁷

VI. CONSTRUCTION SCHEDULE

7 **Q. WHEN DOES KENTUCKY POWER PROPOSE TO BUILD THE**
8 **TRANSMISSION LINE AND THE SUBSTATIONS IF THE CERTIFICATE IS**
9 **GRANTED?**

10 A. The Company anticipates beginning construction during the third quarter of 2024.
11 Work is anticipated to be complete by the fourth quarter of 2025. The planned in-
12 service date sequence is as follows:

- 13 • **3rd Quarter 2024:** Anticipated start of construction.
- 14 • **3rd Quarter 2024:** Begin construction of distribution line work between the
15 proposed Orinoco and the existing Belfry substations.
- 16 • **3rd Quarter 2024:** Begin grading access roads to the 69KV transmission line
17 locations and tree clearing for the transmission line. Grading for access roads
18 planned to be completed by the 4th quarter 2024.
- 19 • **4th Quarter 2024:** Begin construction of transmission lines and substation
20 upgrades.

⁶ *In The Matter Of: Electronic Application Of Kentucky Power Company For A Certificate Of Public Convenience And Necessity To Rebuild The Wooton-Stinnett Portion Of The Hazard-Pineville 161kV Line In Leslie County, Kentucky, Case No. 2022-00118.*

⁷ Order at 22, *In The Matter Of: Electronic Application Of Kentucky Power Company For A Certificate Of Public Convenience And Necessity To Rebuild The Wooton-Stinnett Portion Of The Hazard-Pineville 161kV Line In Leslie County, Kentucky, Case No. 2022-00118 (Ky. P.S.C. September 22, 2022).*

- **4th Quarter 2025:** Place the Project in-service.

VII. NOTICES

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

A. Yes. Notifications as required by 807 KAR 5:120 Section 2(3) were sent to landowners within the proposed 400 foot-wide filing area. The notifications were mailed using the addresses for the subject parcels shown in the offices of the Pike County Property Valuation Administrator or the best available information. Further, Kentucky Power mailed notices to landowners that might be affected by the Project. Company Witness Reese's testimony and the Siting Study found in **EXHIBIT 10** provides more detailed information on outreach efforts.

Q. WHEN WAS THE LANDOWNER NOTICE MAILED?

A. The required landowner notice was mailed on June 9, 2023. The list of landowners within the proposed ROW and notification corridor to whom the notice was mailed, including the required verification of mailing, is attached as **EXHIBIT 12** (Notice Mailed to Landowners and Verification) to the Application.

Q. DID THE JUNE 9, 2023 MAILED NOTICE CONTAIN THE INFORMATION REQUIRED BY 807 KAR 5:120, SECTION 2(3)(A)-(E)?

A. Yes. The form of the notice is attached to the Application as **EXHIBIT 12** (Notice Mailed to Landowners and Verification).

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

3 A. Yes. The required notice of the Company's intent to construct the Project and of this
4 proceeding was published on Tuesday, May 16, 2023, in the *Appalachian News*
5 *Express*. The published notices contained all information required by 807 KAR 5:120,
6 Section 2(5). A copy of the published notice and the affidavit of publication are
7 attached as **EXHIBIT 14** (Published Notice and Affidavit of Publication) to the
8 Application.

VIII. FINANCIAL ASPECTS OF THE PROJECT

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

10 A. The total detailed estimate of the Project cost is approximately \$49 million. That sum
11 comprises: (a) approximately \$30 million for transmission line work including ROW
12 acquisition; (b) approximately \$10 million for construction and upgrade of the
13 substations and switch structure; (c) approximately \$8 million for station removals and
14 (d) approximately \$1 million for distribution line work.

15 **Q. DOES THE APPROXIMATELY \$49 MILLION COST ESTIMATE**
16 **DESCRIBED ABOVE AND SET OUT IN THE APPLICATION REPRESENT**
17 **A FIXED AND FINAL COST?**

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

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

21 A. Kentucky Power anticipates funding the cost of the Project through its operating cash
22 flow and other internally generated funds.

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

3 A. No. Kentucky Power's assets, net of regulatory assets and deferred charges, as of
4 March 31, 2023, totaled \$2.273 billion. The cost of the Project thus represents an
5 increase of approximately 2.16% percent in those assets. The project will not require
6 the issuance of debt and will not affect the completion of any other capital project.

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

9 A. Kentucky Power estimates the annual operating cost will be approximately \$70,000 for
10 general maintenance and inspection. The projected additional annual ad valorem taxes
11 resulting from the Project are expected to total approximately \$603,200.

12 **Q. WILL THE IMPLEMENTATION OF THE PROJECT AS PROPOSED**
13 **RESULT IN WASTEFUL DUPLICATION?**

14 A. No. The Project will not duplicate any existing facilities in the area and will not result
15 in an excess of capacity over need, or excess investment in relation to the productivity
16 and efficiency to be gained. Given the original vintage from the 1940s of the Stone-
17 Sprigg 46kV line, and the many noted equipment conditions in Company Witness
18 Koehler's testimony, coupled with identified voltage drop violations, the need for the
19 Project is clear. In addition, new customers are being added in this area and the Project
20 adds a new 69kV source to help serve those customers and resolve the voltage
21 violations. Finally, this work will eliminate the need to rebuild the entire 8.2 miles of
22 the Sprigg-Stone 46kV Circuit and allow retirement instead. Company Witness
23 Koehler provides a further explanation on the alternatives considered in his testimony,

1 which demonstrates that the proposed solution is the least cost, most reasonable
2 solution to meet the need in the area, and that the proposed solution will not result in
3 wasteful duplication.

IX. STAKEHOLDER INPUT

4 **Q. HAVE RELEVANT STAKEHOLDERS BEEN AFFORDED AN**
5 **OPPORTUNITY TO PROVIDE INPUT REGARDING THE PROPOSED**
6 **TRANSMISSION LINE ROUTE?**

7 A. Yes. Prior to the Company's application in Case No. 2022-00236, representatives of
8 Kentucky Power met with stakeholders including local public officials in Pike County,
9 the affected landowners, and the general public. Company representatives also met with
10 the Tierney Lawrence Land Company, a mining company that owns permitted mining
11 land in the Study Area and Kinzer Business Realty, which owns several parcels within
12 the Study Area. Kentucky Power representatives held a virtual open house that included
13 interactive overview maps, fact sheets, project updates and news releases, and schedule
14 information. A live virtual town hall was also conducted on September 9, 2021, in
15 which Company representatives provided a presentation with an opportunity for a
16 question-and-answer session at the end. The Company employed multiple
17 communication channels to apprise all stakeholders of the Project, including a Project-
18 specific website that provided for a comment period. Of note, because the Project has
19 not changed from the time input was obtained through the outreach activities described,
20 additional activities were not undertaken to avoid unnecessary additional expense. The

1 full details of the Company's efforts to engage all stakeholders are provided in
2 Company Witness Reese's testimony.

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

4 **A.** Yes, it does.

VERIFICATION

The undersigned, Brian K. West, being duly sworn, deposes and says he is the Vice President, Regulatory & Finance for Kentucky Power, that he has personal knowledge of the matters set forth in the foregoing testimony and the information contained therein is true and correct to the best of his information, knowledge, and belief after reasonable inquiry.




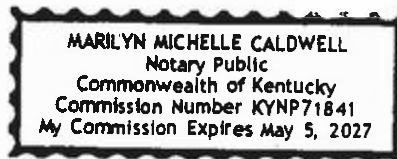
Brian K. West

Commonwealth of Kentucky)
)
County of Boyd)

Case No. 2023-00040

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Brian K. West, on June 8, 2023.


Notary Public



My Commission Expires 5/5/2027

Notary ID Number KYNP 71841