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 Expand And Upgrade Portions Of The Baker Substation In Lawrence County, Kentucky (Baker Reactor Breaker Project)	)))))	Case No. 2025-00335

DIRECT TESTIMONY OF

TANNER S. WOLFFRAM

ON BEHALF OF KENTUCKY POWER COMPANY

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I. INTRODUCTION

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

A. My name is Tanner S. Wolffram, and I am the Director of Regulatory Services for Kentucky Power Company ("Kentucky Power" or the "Company"). My business address is 1645 Winchester Avenue, Ashland, Kentucky 41101.

II. BACKGROUND

Q. PLEASE SUMMARIZE YOUR EDUCATIONAL AND PROFESSIONAL BACKGROUND.

A. I received a Bachelor of Arts degree in Political Science from Miami University in Oxford, Ohio in 2015 and my Juris Doctor degree from The Ohio State University in Columbus, Ohio in 2018. I began my utility industry career with American Electric Power Service Corporation ("AEPSC") in September 2018 as a Legal Fellow, where I worked on a variety of matters across AEP's various jurisdictions. In September 2019, I was hired as Counsel-Regulatory East, where I was responsible for providing legal support and guidance on various complaint proceedings, fuel cost recovery, tracker/rider, and base rate filings in AEP's East jurisdictions, primarily for Kentucky Power Company, Indiana Michigan Power Company, and Ohio Power Company. In June 2021, I transferred to AEPSC's central regulatory function as a Regulatory Case

Manager, where I coordinated state regulatory filings across AEP's footprint. My primary responsibilities were related to filings made in Kentucky, Ohio, and Indiana. In July 2024, I accepted my current position as Director, Regulatory Services for Kentucky Power.

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

A. I am responsible for managing the regulatory strategy for Kentucky Power. This includes planning and executing rate filings for state regulatory agencies, as well as filings for Certificates of Public Convenience and Necessity ("CPCN") and for other approvals before this Commission.

Q. HAVE YOU PREVIOUSLY FILED TESTIMONY IN ANY REGULATORY PROCEEDINGS?

A. Yes. I adopted the Direct Testimony of Scott E. Bishop and submitted rebuttal testimony in the Company's currently pending Demand-Side Management proceeding, Case No. 2024-00115. Additionally, I submitted written direct testimony in the Company's request for approval of a Renewable Energy Purchase Agreement for the Bright Mountain Solar Facility, Case No. 2024-00243, and the Bellefonte Project Application, Case No. 2024-00343, the Company's currently pending application for a CPCN to extend its interest in the energy and capacity from the Mitchell Plant, Case No. 2025-00175, and the Company's currently pending base rate case, Case No. 2025-00257.

III. PURPOSE OF TESTIMONY

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

A. I am testifying in support of Kentucky Power's application for a CPCN to expand and upgrade the Baker Substation (the "Project") located in Lawrence County. Specifically, I will:

- Provide an overview of the Project;
- Introduce the other witnesses supporting the Company's Application;
- Detail the Company's customer notice practices for this proceeding; and
- Address the financial aspects of the Project.

Q. WHAT WITNESSES OFFER TESTIMONY IN SUPPORT OF KENTUCKY POWER'S APPLICATION?

A. Two additional witnesses provide direct testimony in support of this Application. First, Company Witness Jasmine L. Moore describes the need for the Project and scope of work to be undertaken, identifies alternative electrical solutions that were evaluated along with the proposed Project, and provides a summary of the Project's advancement through the PJM Interconnection, LLC ("PJM") review process.

Second, Company Witness Tyler Benedum describes the station engineering aspects of the Project, as well as the physical design of the project alternative that was evaluated.

IV. THE PROJECT OVERVIEW

Q. PLEASE DESCRIBE THE PURPOSE OF THE PROJECT.

A. The Project addresses immediate operational needs identified as part of the PJM Regional Transmission Expansion Plan ("RTEP") process at the Baker Substation, as described in Company Witness Moore's testimony. The Project includes:

a) Expanding the yard (an approximate 640-foot by 185-foot expansion) at the Baker Substation;

b) Relocating the existing reactors within the expanded yard at the Baker Substation;

c) Installing a new three-phase 765kV 50kA circuit breaker on the reactors on the Baker-Broadford 765kV line within the Baker Substation;

d) Reconnecting the existing Baker-Broadford 765kV circuit to the relocated reactors; and

e) Associated distribution work and relocating an existing gas line located within the property.

Q. WILL THE ENTIRETY OF THE PROPOSED PROJECT BE RELOCATED OR CONSTRUCTED ENTIRELY WITHIN COMPANY-OWNED PROPERTY?

A. Yes. As currently designed, the entire Project will be constructed on Company-owned property and will not require any land purchases or right-of-way ("ROW") expansion. Although not anticipated, constructability issues, access requirements, and conditions that are not evident until final engineering, or that arise as a result of landowner negotiations in the event of a change, may result in Kentucky Power being required to

expand the Baker Substation Project outside the Company property indicated on **EXHIBIT 4** (the "Proposed Project Maps").

Q. HAS THE PROJECT BEEN SUBMITTED TO PJM?

A. Yes. PJM assigned the Project the Baseline ID of b3847.1. Further details of the Project's status before PJM are provided by Company Witness Moore.

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

A. Yes. This is in accordance with the Commission's January 13, 2021 Order in Case No. 2020-00174 at pages 59-64.

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

A. No.

V. CUSTOMER OUTREACH AND NOTIFICATION

Q. PLEASE DESCRIBE ANY PROJECT-RELATED OUTREACH OR CUSTOMER NOTIFICATION THAT THE COMPANY HAS COMPLETED.

A. Because the proposed Project will be contained within Kentucky Power-owned property, adjacent to U.S. Hwy 23, and well buffered from any residents, no formal public open houses or outreach were completed. The Company, however, is coordinating with pipeline owner, TC Energy, and the Catalpa Freewill Baptist Church ("Church") in regards to their respective facilities adjacent to or within the Baker Substation. TC Energy has an existing pipeline that traverses the proposed substation expansion area. The Company has coordinated with TC Energy to relocate the line as part of the Project, and there have been no issues to date. The Church is located

immediately north of the Baker Substation, although on separate property not owned by Kentucky Power. As a courtesy, the Company has been coordinating with the Church regarding the upcoming Project and schedule. The Project does not affect the Church property, and the proposed expansion will still be more than 200 feet from the Church, with some vegetative buffer.

VI. CONSTRUCTION SCHEDULE

Q. WHEN DOES KENTUCKY POWER PROPOSE TO BEGIN CONSTRUCTION OF THE PROJECT AND WHEN IS THE PROPOSED IN-SERVICE DATE?

A. The Company anticipates beginning construction on the Project during the second quarter of 2026, depending on the outcome and timing of this proceeding. Work is anticipated to be completed by the end of the third quarter of 2027. The planned in-service date sequence is as follows:

- Q2 of 2026: Anticipated start of construction.
- Q1 of 2027: Project placed in-service.
- Q3 of 2027: Construction Complete.

VII. FINANCIAL ASPECTS OF THE PROJECT

Q. WHAT IS THE PROJECTED COST OF THE PROJECT?

A. The total cost estimate for the Project is approximately $29.4 million. That sum comprises: (a) approximately $24.5 million for the Substation expansion and equipment; $1.2 million for removal costs; $140,000 for telecommunications work; $50,000 for associated distribution work; and $3.5 million to relocate the TC Energy gas line.

Q. DOES THE APPROXIMATELY $29.4 MILLION COST ESTIMATE DESCRIBED ABOVE AND SET OUT IN THE APPLICATION REPRESENT A FIXED AND FINAL COST?

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

Q. HOW WILL THE PROJECT COST BE FUNDED?

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

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

A. No. Kentucky Power's assets, net of regulatory assets and deferred charges (or plant in service) as of June 2025, totaled $2.1 billion. The cost of the Project thus represents approximately 1.4% of plant in service. The Project will not require the issuance of debt and will not affect the completion of any other capital project.

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

A. Kentucky Power estimates the annual operating cost will be approximately $4,400 for general maintenance and inspection. The projected additional annual ad valorem taxes resulting from the Project are expected to total approximately $70,000.

Q. IS THE PROJECT NEEDED?

A. Yes, this Project is necessary to address operational needs as described in detail in the Direct Testimony of Company Witness Moore. This also is a PJM-identified and mandated project, and the solution was developed in conjunction with PJM.

Q. WILL THE PROJECT AS PROPOSED RESULT IN WASTEFUL DUPLICATION?

A. No. The Project is the most reasonable, least-cost alternative to address the needs at the Baker Substation identified by the Company and described in more detail in the direct testimonies of Company Witnesses Benedum and Moore.

Q. HOW WILL THE COST OF THE PROJECT BE ALLOCATED TO KENTUCKY POWER, AND THEREFORE TO KENTUCKY POWER CUSTOMERS?

A. The costs of the Project will be allocated by PJM to the AEP East PJM zone, and then to Kentucky Power. Kentucky Power's share is expected to be only 5.619% of the total Project cost, based on Kentucky Power's current 12-CP allocation. The remainder of the costs will be allocated to other load serving entities.

VIII. PREVIOUS DECLARATORY ORDER APPLICATION

Q. IS THIS PROJECT THE SAME PROJECT FOR WHICH KENTUCKY POWER SOUGHT A DECLARATORY ORDER FROM THIS COMMISSION IN CASE NO. 2024-00283?

A. Yes. This Project is functionally and electrically identical to the one presented in Case No. 2024-00283.[1] In that case, Kentucky Power sought a declaratory order establishing that the Project was considered an ordinary extension in the usual course of business and did not require a CPCN. In its December 27, 2024 order, the

[1] *In The Matter Of: Electronic Application Of Kentucky Power Company For A Declaratory Order That The Proposed Installation Of A New Three-Phase Reactor Circuit Breaker And Associated Construction At The Baker Substation In Lawrence County, Kentucky Is An Ordinary Extension In The Usual Course Of Business And Does Not Require A Certificate Of Public Convenience And Necessity*, Case No. 2024-00283.

Commission found that the Project did not require a CPCN. However, after the final order in that case, the cost estimates for the Project sufficiently increased to exceed the threshold that the Commission had previously held, including in Case No. 2024-00283, to be ordinary extensions in the usual course of business. Although the estimated cost of the Project represents only approximately 1.4% of Company plant in service, out of an abundance of caution and in the interest of transparency, the Company is now seeking a CPCN to construct the Project given the increased estimated Project costs.

Q. WHAT IS DRIVING THE ESTIMATED COST INCREASE SINCE THE COMMISSION ISSUED ITS DECLARATORY ORDER IN CASE NO. 2024-00283?

A. In its application for a declaratory order, the Company estimated that the Project would cost approximately $23.5 million. The Company estimates now that the Project will cost approximately $29.4 million. About $3.5 million of this increase is due to the increased cost of moving the third-party gas line. The remainder of the cost increase results from updated contingency for the Project given the updated cost estimate to complete the work. That said, only the actual cost of the Project will be included in rates.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes, it does.

VERIFICATION

The undersigned, Tanner S. Wolffram, being duly sworn, deposes and says he is the Directory of Regulatory for Kentucky Power Company, 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.

Tanner S. Wolffram

Commonwealth of Kentucky)
) Case No. 2025-00335
County of Boyd)

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Tanner S. Wolffram, on October 22, 2025.

Notary Public

My Commission Expires May 5, 2027

Notary ID Number KYNP71841

MARILYN MICHELLE CALDWELL
Notary Public
Commonwealth of Kentucky
Commission Number KYNP71841
My Commission Expires May 5, 2027