

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)	CASE NO.
PERFORM UPGRADE, REPLACEMENT, AND)	2019-00154
INSTALLATION WORK AT ITS EXISTING)	
SUBSTATION FACILITIES IN PERRY AND LESLIE)	
COUNTIES, KENTUCKY)	

COMMISSION STAFF'S INITIAL REQUEST FOR INFORMATION TO
KENTUCKY POWER COMPANY

Kentucky Power Company (Kentucky Power), pursuant to 807 KAR 5:001, is to file with the Commission the original and an electronic version of the following information. The information requested herein is due on September 30, 2019. Responses to requests for information in paper medium shall be appropriately bound, tabbed, and indexed. Electronic documents shall be in portable document format (PDF), shall be searchable and shall be appropriately bookmarked.

Each response shall include the name of the witness responsible for responding to the questions related to the information provided. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Kentucky Power shall make timely amendment to any prior response if Kentucky Power obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which Kentucky Power fails or refuses to furnish all or part of the requested information, Kentucky Power shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, Kentucky Power shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to the Direct Testimony of Kamran Ali (Ali Testimony), unnumbered page 13, lines 14–19, regarding the three-phase 161/138 kilovolts (kV) spare transformer. Explain whether this type of transformer would be a transmission asset that is covered under the Subscription Agreement that Kentucky Power has entered into with Grid Assurance, LLC.¹

2. Refer to the Ali Testimony, unnumbered page 14, lines 12–17.

¹ See Case No. 2018-00287, *Electronic Application of Kentucky Power Company for 1) Authority Under KRS 278.2207(2) and KRS 278.2219 to the Extent Required to Enable the Company to Pay Fees and Costs Imposed by the Grid Assurance, LLC Subscription Agreement; and 2) the Grant of All Other Required Approvals and Relief* (Ky. PSC Nov. 15, 2018).

a. Identify the nine project components that were previously designated as Supplemental Projects but are now reclassified as Baseline Projects by PJM.

b. Explain when these project components were designated by PJM as Baseline Projects along with the identified need for these particular project components and the determination that these components represent the optimal solution to address those needs.

3. Refer to the Ali Testimony, beginning at unnumbered page 14, line 18, through unnumbered page 15, line 7. Explain in further detail why the project components that were reclassified from Supplemental to Baseline are needed to complete the previously certificated Hazard – Wooten 161 kV transmission line and the new 161/138 kV single-phase transformers at the Hazard Substation.

4. Refer to the Ali Testimony, Exhibit KA-1, page 9 of 16. Pursuant to the AEP process for addressing transmission owner identified needs, an asset condition assessment is performed to determine a transmission asset's historical deterioration, current condition, and future expectation. Further, it is provided that AEP annually assembles a list of reported condition issues for all of its assets in its system and a follow-up review is conducted to determine if a transmission asset is in need of upgrade or replacement. To the extent Kentucky Power is claiming that certain of the proposed project elements is needed due to significant deterioration, obsolescence and/or aging condition, state whether any of these transmission assets that are proposed to be replaced or upgraded (i.e., 69 kV circuit breakers, electromechanical and static relays, and transformers) were identified within the last ten years as needing to be addressed. If

so, explain why Kentucky Power waited until now to replace or upgrade these transmission assets and doing it all at one time.

5. Refer to the Direct Testimony of Michael G. Laslo (Laslo Testimony), page 13, lines 1–20, in connection with the proposed work at the Hazard Substation.

a. Regarding the replacement of Transformer #1 and Transformer #2, explain why these transformers have experienced dielectric breakdowns, damage to bushings and windings, and short circuit breakdowns to the point that they are in need of replacement given that these transformers are 14–15 years from their projected life expectancy.

b. Regarding the replacement of the various circuit breakers, explain why Kentucky Power has waited until now to replace these circuit breakers given that these circuit breakers have experienced faults that significantly exceeds the number of faults recommended by the manufacturer.

6. Refer to the Laslo Testimony, beginning at page 14, line 14, through page 15, line 5, regarding the reliability benefits of the reconfiguration work and equipment additions at the Hazard and Wooton Substations. Explain whether Kentucky Power has quantified the reliability benefits of the proposed transmission project elements and, if so, provide that analysis.

7. Refer to the Laslo Testimony, beginning at page 17, line 2, through page 18, line 16, regarding mobilization costs. Quantify the projected increase in cost if the project components were to be done in a phased approach.

8. Refer to the Direct Testimony of Ranie K. Wohnhas (Wohnhas Testimony), page 6, lines 1–7. For each of the proposed project elements for the Hazard and Wooton

Substations, identify which elements fall into the following categories referenced in the testimony: (1) those that are needed to implement the construction approved in Case No. 2017-00328;² (2) those that are deteriorating and obsolete; and (3) those that are needed to comply with existing PJM and Kentucky Power design standards.

9. Refer to the Wohnhas Testimony, page 8, lines 17–20, regarding the estimated cost of the proposed project. Provide an itemization for the cost of each component of the proposed project.



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DATED SEP 16 2019

cc: Parties of Record

² Case No. 2017-00328, Electronic Application of Kentucky Power Company for a Certificate of Public Convenience and Necessity to Construct a 161 kV Transmission Line in Perry and Leslie Counties, Kentucky and Associated Facilities (Ky. PSC March 16, 2018).

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