

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

NOTICE OF FILING

Notice is given to all parties that the following materials have been filed into the record of this proceeding:

- The digital video recording of the evidentiary hearing conducted on February 4, 2020 in this proceeding;
- Certification of the accuracy and correctness of the digital video recording;
- A written log listing, *inter alia*, the date and time of where each witness' testimony begins and ends on the digital video recording of the evidentiary hearing conducted on February 4, 2020.

A copy of this Notice, the certification of the digital video record, and hearing log have been served upon all persons listed at the end of this Notice. Parties desiring to view the digital video recording of the hearing may do so at <https://youtu.be/-KA5W69HW1I>.

Parties wishing an annotated digital video recording may submit a written request by electronic mail to pscfilings@ky.gov. A minimal fee will be assessed for a copy of this recording.

Done at Frankfort, Kentucky, this 12th day of February 2020.



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CASE NO.
2019-00154

CERTIFICATION

I, Candace H. Sacre, hereby certify that:

1. The attached DVD contains a digital recording of the Formal Hearing conducted in the above-styled proceeding on February 4, 2020. The Formal Hearing Log is included with the recording on February 4, 2020;
2. I am responsible for the preparation of the digital recording;
3. The digital recording accurately and correctly depicts the Formal Hearing of February 4, 2020; and
4. The Formal Hearing Log attached to this Certificate accurately and correctly states the events that occurred at the Formal Hearing of February 4, 2020, and the time at which each occurred.

Signed this 11th day of February, 2020.



Candace H. Sacre
Administrative Specialist III

Jacqueline Hartzell
Notary Public State at Large ID# 605476
Commission Expires: July 25, 2022



Date:	Type:	Location:	Department:
2/4/2020	Public Hearing\Public Comments	Hearing Room 1	Hearing Room 1 (HR 1)

Witness: Kamran Ali; Michael G. Laslo; Ranie Wohnhas
 Judge: Robert Cicero; Talina Mathews
 Clerk: Candace Sacre

Event Time	Log Event	
9:03:28 AM	Session Started	
9:03:31 AM	Vice Chairman Cicero Note: Sacre, Candace	We are now on the record in Case No. 2019-00154, the Electronic Application of Kentucky Power Company for a Certificate of Public Convenience and Necessity to Perform Upgrade, Replacement, and Installation Work at its Existing Substation Facilities in Perry and Leslie Counties, Kentucky.
9:03:53 AM	Vice Chairman Cicero Note: Sacre, Candace	My name is Robert Cicero. I am Vice Chairman of the Public Service Commission, and I will be presiding today. Seated to my left is Dr. Talina Mathews. Chairman Schmitt may make it later this morning - he had a prior commitment - but, for the time being, we're not certain of that.
9:04:10 AM	Vice Chairman Cicero Note: Sacre, Candace	I'd like to suggest that if you have a cell phone with you that you shut it off or put it on silent. Other than that, at this time, we'll have the entry of appearance of counsel, beginning with Applicant, Kentucky Power, followed by the Attorney General, and then Commission Staff, so for the Applicant?
9:04:28 AM	Atty Overstreet Kentucky Power Note: Sacre, Candace	Thank you, Mr. Vice Chairman. My name is Mark Overstreet. I'm with the law firm of Stites & Harbison, 421 West Main Street, Frankfort, Kentucky 40601. I'm appearing on behalf of Kentucky Power Company.
9:04:41 AM	Vice Chairman Cicero Note: Sacre, Candace	Thank you.
9:04:42 AM	Atty Pollom Kentucky Power Note: Sacre, Candace	John Pollom, also Stites & Harbison, 250 West Main Street, Suite 2300, Lexington, Kentucky 40507, appearing also on behalf of Kentucky Power.
9:04:53 AM	Vice Chairman Cicero Note: Sacre, Candace	Mr. McNeil?
9:04:55 AM	Asst Atty Gen McNeil Note: Sacre, Candace	Good morning, Vice Chairman. Justin McNeil and John Horne, on behalf of the Attorney General's Office.
9:05:00 AM	Vice Chairman Cicero Note: Sacre, Candace	Thank you, and for Staff?
9:05:01 AM	Asst Gen Counsel Nguyen PSC Note: Sacre, Candace	Good morning, Your Honor. Quang Nguyen, on behalf of Commission Staff.
9:05:05 AM	Vice Chairman Cicero Note: Sacre, Candace	I've been advised that public notice has been given and filed into the record, is that correct?

9:05:10 AM	Atty Overstreet Kentucky Power Note: Sacre, Candace	Yes, Your Honor, it has been given, and it was filed in the record last Wednesday.
9:05:15 AM	Vice Chairman Cicero Note: Sacre, Candace	Are there any outstanding motions? I don't suspect that there are.
9:05:19 AM	Asst Gen Counsel Nguyen PSC Note: Sacre, Candace	No, Your Honor.
9:05:21 AM	Vice Chairman Cicero Note: Sacre, Candace	Is there anyone here that would like to give public comment?
9:05:24 AM	Vice Chairman Cicero Note: Sacre, Candace	Please come forward, state your name, and place of residence.
9:05:33 AM	Mr. Coleman Note: Sacre, Candace	My name's Freddie Coleman, and I'm from Whitesburg, Kentucky, and I've got about three or four pages, here, okay?
9:05:55 AM	Vice Chairman Cicero Note: Sacre, Candace	Have at it.
9:05:58 AM	Mr. Coleman Note: Sacre, Candace	I'm not a very good speaker, so I'm going to read most of it, okay?
9:06:00 AM	Vice Chairman Cicero Note: Sacre, Candace	Most of us aren't.
9:06:01 AM	Mr. Coleman Note: Sacre, Candace	And I sure thank you.
9:08:14 AM	Mr. Coleman Note: Sacre, Candace	I'm nervous.
9:08:15 AM	Commissioner Mathews Note: Sacre, Candace	You're fine.
9:08:16 AM	Vice Chairman Cicero Note: Sacre, Candace	Don't be.
9:08:19 AM	PUBLIC COMMENT (cont'd) - by Mr. Coleman Note: Sacre, Candace	Okay. Thermal overloads and voltage violations is what they come in with 2019-00443, page 71, so that they might be able to do the job, and it seems like they're using this thermal overloads and everything all the way across their system to get to do the jobs. And what bothers me, can the people afford to modernize their system all at one time? I mean, all the jobs they bring in just so fast. They've got several jobs, I mean, going right now, and, you know, you can't pay for it they're coming so fast. (Click on link for further comments.)
9:24:40 AM	Vice Chairman Cicero Note: Sacre, Candace	It looks like you spent a lot of time and preparation. I would suggest that all of your materials, if you'd like to leave a copy with staff, that they can put it as a part of public comments.
9:24:56 AM	Mr. Coleman Note: Sacre, Candace	Okay.
9:24:57 AM	Vice Chairman Cicero Note: Sacre, Candace	They can even make a copy for you and give it back to you.
9:24:58 AM	Mr. Coleman Note: Sacre, Candace	If I could get a copy -
9:25:04 AM	Vice Chairman Cicero Note: Sacre, Candace	Thank you for your comments. We do appreciate it.
9:25:09 AM	Mr. Coleman Note: Sacre, Candace	Okay. I thank you all.
9:25:23 AM	Vice Chairman Cicero Note: Sacre, Candace	Mr. Overstreet, do you have witnesses?

9:25:25 AM	Atty Overstreet Kentucky Power Note: Sacre, Candace	I do, Your Honor. The first witness we'd like to call is Ranie Wohnhas.
9:25:39 AM	Vice Chairman Cicero Note: Sacre, Candace	Witness is sworn.
9:25:45 AM	Vice Chairman Cicero Note: Sacre, Candace	Mr. Overstreet?
9:25:47 AM	Atty Overstreet Kentucky Power Note: Sacre, Candace	Thank you, Your Honor.
9:25:48 AM	Atty Overstreet Kentucky Power - witness Wohnhas Note: Sacre, Candace	Direct Examination. Mr. Wohnhas, please state your name, position, and place of business.
9:26:01 AM	Atty Overstreet Kentucky Power - witness Wohnhas Note: Sacre, Candace	And did you cause to be filed into the record of this proceeding direct testimony and Responses to Data Requests?
9:26:10 AM	Atty Overstreet Kentucky Power - witness Wohnhas Note: Sacre, Candace	Do you have any corrections or supplementation of either your testimony or your Responses to the Data Requests?
9:26:21 AM	Atty Overstreet Kentucky Power - witness Wohnhas Note: Sacre, Candace	If you were asked those same questions here this morning, would your responses be the same?
9:26:27 AM	Atty Overstreet Kentucky Power Note: Sacre, Candace	Mr. Wohnhas is available for cross examination, Your Honor.
9:26:30 AM	Vice Chairman Cicero Note: Sacre, Candace	Thank you. Mr. McNeil, do you have any questions?
9:26:34 AM	Asst Atty Gen McNeil Note: Sacre, Candace	Just a few. Thank you, Mr. Vice Chair.
9:26:36 AM	Asst Atty Gen McNeil - witness Wohnhas Note: Sacre, Candace	Cross Examination. Good morning, Mr. Wohnhas. You said there were no changes to your testimony or your responses, is that correct?
9:26:48 AM	Asst Atty Gen McNeil - witness Wohnhas Note: Sacre, Candace	Have there been no other developments that would change any of the financial projections or prices in the project since Responses were filed?
9:27:01 AM	Asst Atty Gen McNeil - witness Wohnhas Note: Sacre, Candace	Has any construction on the process begun?
9:27:10 AM	Asst Atty Gen McNeil - witness Wohnhas Note: Sacre, Candace	So has anything other than that?
9:27:34 AM	Asst Atty Gen McNeil - witness Wohnhas Note: Sacre, Candace	In your testimony on page 7, you had mentioned that, and sort of in the same vein, that, as the project goes along, there are developments that would either change the price or certain project elements that would be involved. You mentioned the Capacitor Bank BB. You had determined that it no longer needed to be moved, is that correct?
9:28:02 AM	Asst Atty Gen McNeil - witness Wohnhas Note: Sacre, Candace	Could you just tell me, is there an internal process, a formal process for that sort of determination? Are you involved with it? How does that work?
9:29:04 AM	Asst Atty Gen McNeil - witness Wohnhas Note: Sacre, Candace	But there is local input probably from Mr. Laslo, Engineering?
9:29:18 AM	Asst Atty Gen McNeil - witness Wohnhas Note: Sacre, Candace	To your knowledge, is the in-service date for the project still the same?

9:29:27 AM	Asst Atty Gen McNeil - witness Wohnhas Note: Sacre, Candace	For this project in this Application.
9:30:01 AM	Asst Atty Gen McNeil Note: Sacre, Candace	No further questions.
9:30:03 AM	Vice Chairman Cicero Note: Sacre, Candace	Mr. Nguyen?
9:30:05 AM	Asst Gen Counsel Nguyen PSC Note: Sacre, Candace	Yes, Your Honor. Thank you.
9:30:07 AM	Asst Gen Counsel Nguyen PSC - witness Wohnhas Note: Sacre, Candace	Cross Examination. Good morning, Mr. Wohnhas. Exhibit 2 to the Application has a list of all of the project components that are being proposed in this Application, is that correct?
9:30:23 AM	Atty Overstreet Kentucky Power Note: Sacre, Candace	Your Honor, we anticipated that there may be questions about Exhibit 2, so we made some additional copies so people would have it available, if that would be helpful.
9:30:32 AM	Vice Chairman Cicero Note: Sacre, Candace	Sure, go ahead.
9:31:18 AM	Asst Gen Counsel Nguyen PSC - witness Wohnhas Note: Sacre, Candace	So I don't want to refer to any specific one on here, but it appears, for the majority of them, the reason for the replacement or upgrade of those components were due to either age or deterioration or obsolescence. Would that be correct?
9:31:54 AM	Asst Gen Counsel Nguyen PSC - witness Wohnhas Note: Sacre, Candace	And, to the extent that you know now, are these components - were they fully depreciated?
9:32:36 AM	Vice Chairman Cicero Note: Sacre, Candace	Let me ask one question.
9:32:37 AM	Vice Chairman Cicero - witness Wohnhas Note: Sacre, Candace	Examination. So you don't identify or segregate into category anything except by the entire substation?
9:33:06 AM	Vice Chairman Cicero - witness Wohnhas Note: Sacre, Candace	Thank you for the clarification because I was going to say, if you are throwing everything into one asset life, I think you've overstepped the intent.
9:33:31 AM	Asst Gen Counsel Nguyen PSC - witness Wohnhas Note: Sacre, Candace	Cross Examination (cont'd). So, for instance, like the circuit breakers, would those components be large enough to be categorized within their own plant account?
9:33:40 AM	Asst Gen Counsel Nguyen PSC - witness Wohnhas Note: Sacre, Candace	And transformers as well?
9:33:42 AM	Asst Gen Counsel Nguyen PSC - witness Wohnhas Note: Sacre, Candace	So, to the extent that those are being replaced, those component are being replaced, as proposed in this case, those items are fully depreciated that you are aware of?
9:34:13 AM	Asst Gen Counsel Nguyen PSC - witness Wohnhas Note: Sacre, Candace	Would you have would any involvement in terms of the budgetting of the maintenance aspect of substations?
9:35:22 AM	Asst Gen Counsel Nguyen PSC - witness Wohnhas Note: Sacre, Candace	And so the total O&M dollar for a specific project or for maintenance for a substation, that's determined at the company level?
9:35:41 AM	Asst Gen Counsel Nguyen PSC - witness Wohnhas Note: Sacre, Candace	So for the total amount that can be budgetted that the transmission planning has to work within, is that amount done, developed at the Kentucky Power level?

9:36:35 AM Asst Gen Counsel Nguyen PSC
Note: Sacre, Candace Those are all the questions I have. Thank you.

9:36:37 AM Vice Chairman Cicero
Note: Sacre, Candace Dr. Mathews?

9:36:47 AM Commissioner Mathews - witness Wohnhas
Note: Sacre, Candace Examination. What are the rate impacts? I know some of the projects are eproe are baseline; some are supplemental. Those are treated differently at PJM, so they would have different rate impacts to Kentucky Power customers. Baseline project, Kentucky Power only pays a portion. Supplemental projects, Kentucky Power pays for the project. So have you calculated the rate impacts of this twenty-five-plus millions dollars spent?

9:38:16 AM Commissioner Mathews - witness Wohnhas
Note: Sacre, Candace Do you have a budget for the next five years, two years, three years on expected transmission system build-out and replacement i the Kentucky Power service territory?

9:38:37 AM Commissioner Mathews - witness Wohnhas
Note: Sacre, Candace And how is that done? Who does that? Mr. Ali?

9:40:25 AM Commissioner Mathews - witness Wohnhas
Note: Sacre, Candace Is that allocated to Kentucky Power based upon some formula that's includes a return on equity that's been awarded by the Commission, or is that determined on the age of the system relative to the other operating companies, or probability of aging out a problem? How is that dollar figure that are you given arrived at? Does the dollar figure come first, or does the list of projects come first, or they kinda work in -

9:41:17 AM Commissioner Mathews - witness Wohnhas
Note: Sacre, Candace And that's your calculations, and we've just walked through how you do you calculations from the AEP system with limited amount of resources to many uses, potential uses. How is that allocation done down to the Kentucky Power?

9:42:26 AM Commissioner Mathews - witness Wohnhas
Note: Sacre, Candace I think that's been testimony in the past in a rate case when you're wanting it to be higher. It helps attract capital to Kentucky Power.

9:42:32 AM Commissioner Mathews - witness Wohnhas
Note: Sacre, Candace If I looked back five years, would I see these projects be in your list of priorities?

9:42:43 AM Commissioner Mathews - witness Wohnhas
Note: Sacre, Candace So some of them might be ordinary course of business because they are the aging out? I mean, I read some of this, it was built in 1940, leaking oil, some of it sounds - you know, recognizing I'm an economist and not an engineer for a reason, some of it seems pretty urgent. At least, it's presented as being pretty urgent, so would I have seen any of these be just a natural, again, ordinary course of business, taking care of the system?

9:44:27 AM Commissioner Mathews - witness Wohnhas
Note: Sacre, Candace That's essentially where I was going.

9:45:11 AM Commissioner Mathews - witness Wohnhas
Note: Sacre, Candace Are there other areas of the system that have infrastructure that's in similar condition, and this kind of came to the top because the marginal cost of doing this, since you're doing this in the area anyway, was lower than an individual project that would stand alone over here?

9:46:21 AM Commissioner Mathews - witness Wohnhas
Note: Sacre, Candace Looking at the baseline project and the project that was approved in the last case, were some of the costs of this project - I guess I'm trying to have a bright line between the baseline project and the supplemental projects where, you know - maybe this is a better question for Mr. Ali.

9:47:05 AM Commissioner Mathews - witness Wohnhas
Note: Sacre, Candace And back to my question of the rate impacts of the baseline and the supplemental, how much of this project, of the \$25.3 million is allocated to baseline and supplemental?

9:47:32 AM Commissioner Mathews - witness Wohnhas
Note: Sacre, Candace But you understand where I'm going with that. How much of it is cross-shared across the larger zone, and how much of it is allocated to just this zone? I would think that would be a -

9:47:53 AM Commissioner Mathews
Note: Sacre, Candace Can we have that in a post-hearing data request?

9:47:55 AM Asst Gen Counsel Nguyen PSC
Note: Sacre, Candace Or one of the other witnesses is able to testify on that. If not, then we can ask that in a post-hearing data request.

9:48:00 AM Atty Overstreet Kentucky Power
Note: Sacre, Candace I think Mr. Ali can address your issue.

9:48:01 AM POST-HEARING DATA REQUEST
Note: Sacre, Candace ALLOCATION OF BASELINE AND SUPPLEMENTAL PROJECTS

9:48:03 AM Commissioner Mathews
Note: Sacre, Candace Good deal. Thank you. Can someone help me remember to ask him?

9:48:07 AM Atty Overstreet Kentucky Power
Note: Sacre, Candace I have it written down to ask.

9:48:09 AM Commissioner Mathews
Note: Sacre, Candace Okay. Thank you.

9:48:12 AM Commissioner Mathews
Note: Sacre, Candace That's all I have. Thank you, Mr. Wohnhas.

9:48:18 AM Vice Chairman Cicero - witness Wohnhas
Note: Sacre, Candace Examination. I want to go to your tire analogy, and I look at the exhibit that was handed out, and it says "Manufactured in 1960, Experienced: 82 faults, well above recommended 10." The next one is 1974, experienced 184 faults, well above the recommended 10; the next one is 193 faults, well above the 10; the next one is 221, well above the 10; the next one is 354 faults. What type of tire gauge are you using to assess the safety and reliability of the system? I mean, this almost looks like you're just rolling the dice and seeing how far you can go with it.

9:49:40 AM Vice Chairman Cicero - witness Wohnhas
Note: Sacre, Candace You indicated there may be categorization of a fault, I guess, between de minimis and being critical. Is that what you're implying?

9:49:55 AM Vice Chairman Cicero - witness Wohnhas
Note: Sacre, Candace From an accounting perspective, useful life, that has to be a situation where, if you're having an interaction all the time and discussing the planning and where these dollars should go to, if the useful life an asset has been consumed, that means it's fully depreciated, at least from the perspective of what was been anticipated as a useful life has now been exhausted. Would that be a fair statement?

9:50:23 AM Vice Chairman Cicero - witness Wohnhas
Note: Sacre, Candace And shouldn't that be a parameter that's used when examining whether some type of facility component needs to be replaced?

9:50:35 AM	Vice Chairman Cicero - witness Wohnhas Note: Sacre, Candace	So I'm back to, again, are we rolling the dice? Because the ages on some of these are all over the place. I could go back into the 1940s, 1973, 1960, 1974, 1985. Is that considered in this planning process?
9:51:35 AM	Vice Chairman Cicero - witness Wohnhas Note: Sacre, Candace	I guess my point is, you're using dollars as part of your parameter to determine whether or not there's a need, and safety and reliability isn't necessarily a function of dollars. It's a function of being safe and reliable, and it shouldn't come down to a project you put in place on a total project basis associated with something else that should have been done in a normal operating and maintenance perspective. Wouldn't you agree with that?
9:53:08 AM	Vice Chairman Cicero - witness Wohnhas Note: Sacre, Candace	My concern is depreciation is a non-cash item, correct?
9:53:13 AM	Vice Chairman Cicero - witness Wohnhas Note: Sacre, Candace	If you place depreciation in a base rate, which typically happens, it's based on your investment, and you depreciate it fully out which means over the course of whatever the useful life of the asset is you've generated cash for a non-cash item, correct?
9:53:32 AM	Vice Chairman Cicero - witness Wohnhas Note: Sacre, Candace	And so now you're at the end of the useful life, and you haven't used those funds to reinvest, which is the purpose of depreciation - to spread out your cost over a period of time that's commensurate with the useful life of it so that the revenues and the expenses kinda match, right?
9:53:53 AM	Vice Chairman Cicero - witness Wohnhas Note: Sacre, Candace	But your exhibit doesn't say that.
9:54:31 AM	Vice Chairman Cicero - witness Wohnhas Note: Sacre, Candace	Based on that, how many of these types of assets would I find fully depreciated when the useful life exceeds the anticipated useful life by a large margin? Because, if I go back into the 1940s, I know those assets have to be well beyond what anybody anticipated.
9:55:34 AM	Vice Chairman Cicero - witness Wohnhas Note: Sacre, Candace	And you feel very comfortable that the system is safe and reliable even though it appears that many of the assets may be beyond their useful life?
9:56:07 AM	Vice Chairman Cicero - witness Wohnhas Note: Sacre, Candace	And don't get me wrong. I'm all for the utilities being conscious of their costs. What concerns me is when cost considerations affect safety and reliability and if the utilities don't spend when they're earning the revenue on those assets that have reached the end of their useful life or make the system unsafe or unreliable.
9:56:59 AM	Vice Chairman Cicero Note: Sacre, Candace	The Chairman has joined us, and I don't know if you have any -
9:57:02 AM	Chairman Schmitt Note: Sacre, Candace	No, I have no questions.
9:57:04 AM	Vice Chairman Cicero Note: Sacre, Candace	Mr. Overstreet, would you like to cross?
9:57:10 AM	Atty Overstreet Kentucky Power Note: Sacre, Candace	Can I redirect?
9:57:12 AM	Vice Chairman Cicero Note: Sacre, Candace	Whatever you'd like to do, go ahead.
9:57:16 AM	Atty Overstreet Kentucky Power Note: Sacre, Candace	Thank you, Your Honor.

9:57:17 AM	Atty Overstreet Kentucky Power - witness Wohnhas Note: Sacre, Candace	Redirect Examination. Mr. Wohnhas, I think I just have perhaps a single question, and if you could turn to the company's Response to AG 1-14, please.
9:57:50 AM	Atty Overstreet Kentucky Power - witness Wohnhas Note: Sacre, Candace	And it's Mr. Ali's response, but I want to direct your attention to the second literary paragraph of the Response, and the second sentence says, "Finally, because Kentucky Power does not run the electrical components of its system to failure, the replacement of equipment before it fails is necessary." And my question is, do you agree with Mr. Ali's statement that Kentucky Power does not run the electrical components of its system to failure?
9:58:30 AM	Atty Overstreet Kentucky Power Note: Sacre, Candace	That's all I have, Your Honor.
9:58:31 AM	Vice Chairman Cicero Note: Sacre, Candace	Mr. McNeil, do you have any other questions?
9:58:34 AM	Asst Atty Gen McNeil Note: Sacre, Candace	Nothing further.
9:58:35 AM	Vice Chairman Cicero Note: Sacre, Candace	Mr. Nguyen?
9:58:36 AM	Asst Gen Counsel Nguyen PSC Note: Sacre, Candace	Nothing further.
9:58:37 AM	Vice Chairman Cicero Note: Sacre, Candace	Dr. Mathews?
9:58:47 AM	Commissioner Mathews Note: Sacre, Candace	No, I've got nothing.
9:58:53 AM	Vice Chairman Cicero Note: Sacre, Candace	May this witness be excused?
9:58:56 AM	Asst Gen Counsel Nguyen PSC Note: Sacre, Candace	Yes, Your Honor.
9:58:57 AM	Vice Chairman Cicero Note: Sacre, Candace	You may step down.
9:59:07 AM	Vice Chairman Cicero Note: Sacre, Candace	Do you have another witness, Mr. Overstreet?
9:59:09 AM	Atty Overstreet Kentucky Power Note: Sacre, Candace	Yes, Your Honor, we'd like to call Michael G. Laslo. Mr. Pollom will present him. While Mr. Laslo is coming to the stand, Mr. Pollom has a question for me. I'm not being inattentive.
9:59:29 AM	Vice Chairman Cicero Note: Sacre, Candace	Witness is sworn.
9:59:37 AM	Vice Chairman Cicero Note: Sacre, Candace	Mr. Overstreet?
9:59:39 AM	Atty Overstreet Kentucky Power Note: Sacre, Candace	Mr. Pollom will present.
9:59:40 AM	Vice Chairman Cicero Note: Sacre, Candace	Oh, I'm sorry. Mr. Pollom?
9:59:42 AM	Atty Pollom Kentucky Power - witness Laslo Note: Sacre, Candace	Direct Examination. Would you state your name, position, and place of business for the record?
10:00:01 AM	Atty Pollom Kentucky Power - witness Laslo Note: Sacre, Candace	Did you cause to be filed in this matter testimony and Responses to Data Requests?
10:00:07 AM	Atty Pollom Kentucky Power - witness Laslo Note: Sacre, Candace	Do you have any corrections or changes to those Responses and testimony?

10:01:09 AM Atty Pollom Kentucky Power - witness Laslo
Note: Sacre, Candace This is, again, your direct testimony?

10:01:58 AM Atty Pollom Kentucky Power - witness Laslo
Note: Sacre, Candace Any other corrections or changes to your testimony or Responses to Data Requests?

10:02:03 AM Atty Pollom Kentucky Power - witness Laslo
Note: Sacre, Candace Taking and changes and corrections into account, if you were asked the same questions today, would your answers be the same?

10:02:11 AM Atty Pollom Kentucky Power
Note: Sacre, Candace Mr. Laslo is available for cross examination.

10:02:13 AM Vice Chairman Cicero
Note: Sacre, Candace Mr. McNeil?

10:02:14 AM Asst Atty Gen McNeil
Note: Sacre, Candace Yes. Thank you, sir.

10:02:17 AM Asst Atty Gen McNeil - witness Laslo
Note: Sacre, Candace Cross Examination. Good morning, Mr. Laslo. In response to Attorney General's Second Data Request, Response 10, I believe it's you answering, Mr. Ali was also on the question, but you answered, "At Circuit Breaker R" - I'll let you get there.

10:02:40 AM Asst Atty Gen McNeil
Note: Sacre, Candace And I apologize. It's Subpart A. The question was, "Identify any portion of the application where the company declined to upgrade certain equipment," And the answer was, "Based on current circumstances, Circuit Breaker R is not required to be upgraded," is that correct?

10:03:03 AM Asst Atty Gen McNeil - witness Laslo
Note: Sacre, Candace Can you speak to that decision? Were you involved in that?

10:03:33 AM Asst Atty Gen McNeil - witness Laslo
Note: Sacre, Candace It was never originally part of the project at all?

10:04:34 AM Asst Atty Gen McNeil
Note: Sacre, Candace So part of the determination is that you plan a future project, and you think it would be more efficient to address it at that time?

10:04:42 AM Asst Atty Gen McNeil - witness Laslo
Note: Sacre, Candace And this sort of goes into the question I asked Mr. Wohnhas about moving Capacitor Bank BB where that was determined you did not need to move that in this project, is that correct?

10:05:38 AM Asst Atty Gen McNeil - witness Laslo
Note: Sacre, Candace What is your role, the local role? How does that work with AEP in Columbus? Is it when that constructability analysis is begun? Is that when you weigh in more?

10:07:25 AM Asst Atty Gen McNeil - witness Laslo
Note: Sacre, Candace Would you say that part of your role is looking at the number of conditions on certain equipment?

10:07:54 AM Asst Atty Gen McNeil - witness Laslo
Note: Sacre, Candace Is it true that manufacturers they give out a number of faults or conditions that can be on a certain piece of equipment before its life is over, is that correct?

10:09:42 AM Asst Atty Gen McNeil - witness Laslo
Note: Sacre, Candace That's sort of where I was going, and Mr. Wohnhas sort of said it's a gut feeling. I mean, how do you determine what that need is and where it is?

10:10:32 AM Asst Atty Gen McNeil - witness Laslo
Note: Sacre, Candace So it's broken down more? There's more data; there's more science that's applied?

10:10:51 AM	Asst Atty Gen McNeil Note: Sacre, Candace	No more questions at this time.
10:10:53 AM	Vice Chairman Cicero Note: Sacre, Candace	Mr. Nguyen?
10:10:54 AM	Asst Gen Counsel Nguyen PSC Note: Sacre, Candace	Yes. Thank you.
10:10:55 AM	Asst Gen Counsel Nguyen PSC - witness Laslo Note: Sacre, Candace	Cross Examination. Good morning, Mr. Laslo. You mentioned that your - is your primary responsibility is reliability manager for Kentucky Power, is that correct?
10:11:10 AM	Asst Gen Counsel Nguyen PSC - witness Laslo Note: Sacre, Candace	And then also part of your function, on page 2 of your direct testimony, was you provide import regarding the planned activities of AEP transmission and distribution, assets planning regarding overall system performance, recommendation and evaluation of large system improvements, and new service to large and commercial and industrial customers, too, is that correct?
10:11:32 AM	Asst Gen Counsel Nguyen PSC - witness Laslo Note: Sacre, Candace	As part of your overall responsibility with Kentucky Power, do you do an assessment identification of any particular needs at a substation for improvement, replacement, or upgrade?
10:11:54 AM	Asst Gen Counsel Nguyen PSC - witness Laslo Note: Sacre, Candace	To the extent of your involvement with respect to the Hazard Substation, can you refer to Kentucky Power's Response to Staff's First Data Request, Item No. 4. I know you didn't sponsor this Response, but I just want to ask you a question with respect to the Response that was provided.
10:12:51 AM	Asst Gen Counsel Nguyen PSC - witness Laslo Note: Sacre, Candace	Yes, sir, sure.
10:13:00 AM	Atty Overstreet Kentucky Power Note: Sacre, Candace	Your Honor, I can provide the witness with my copy.
10:13:03 AM	Vice Chairman Cicero Note: Sacre, Candace	Certainly, go ahead.
10:13:15 AM	Asst Gen Counsel Nguyen PSC - witness Laslo Note: Sacre, Candace	The question asked, based upon the AEP process for addressing transmission identified needs and whether any of the project components that are proposed in this case, were any of those project components or elements identified as needing to be addressed within the last ten years based upon the AEP transmission criteria, and the Response is that all of the transmission elements that is being proposed to be replaced or upgraded were identified within the last ten years as needing to be addressed.
10:14:03 AM	Asst Gen Counsel Nguyen PSC - witness Laslo Note: Sacre, Candace	As part of your involvement in evaluating and assessing the needs of the Hazard Substation, were - any of the components that are requested to be replaced or upgraded, were those provided and prioritized within the last five years as needing to be addressed?
10:14:41 AM	Asst Gen Counsel Nguyen PSC - witness Laslo Note: Sacre, Candace	Let me ask you, just from the operating company perspective, do you - and you mentioned that you have quarterly meetings with AEP Transmission to go over the identified needs as well as prioritization of those needs, so is there, at the Kentucky Power level, identification of the needs as well as the prioritization of those needs?
10:15:13 AM	Asst Gen Counsel Nguyen PSC - witness Laslo Note: Sacre, Candace	Do you develop those?

10:15:15 AM Asst Gen Counsel Nguyen PSC - witness Laslo
Note: Sacre, Candace From the Kentucky Power level, were the project components that is proposed to be replaced and upgraded in this case, were those identified and prioritized by Kentucky Power within the last five years as needing to be replaced or upgraded?

10:15:38 AM Asst Gen Counsel Nguyen PSC - witness Laslo
Note: Sacre, Candace Within the last ten years, would that be the case?

10:15:50 AM Asst Gen Counsel Nguyen PSC - witness Laslo
Note: Sacre, Candace Why isn' t it until 2019 when Kentucky Power - or 2018 when Kentucky Power filed the Application for the Certificate of Public Convenience and Necessity to replace and upgrade these items and not before?

10:16:23 AM Asst Gen Counsel Nguyen PSC - witness Laslo
Note: Sacre, Candace Right, the timing of the need to replace it.

10:20:46 AM Asst Gen Counsel Nguyen PSC - witness Laslo
Note: Sacre, Candace So let me ask you this, the baseline violation was identified in 2017?

10:21:04 AM Asst Gen Counsel Nguyen PSC - witness Laslo
Note: Sacre, Candace But it was within the last two, three, four years general timeframe?

10:21:09 AM Asst Gen Counsel Nguyen PSC - witness Laslo
Note: Sacre, Candace The identification of the need for each of these particular compenents that needs to be replaced or upgraded dated even before that time?

10:21:20 AM Asst Gen Counsel Nguyen PSC - witness Laslo
Note: Sacre, Candace Even in the absence of the baseline project needing to address these baseline violations and then perhaps the thought is perhaps Kentucky Power could address these other issues as well along with it, but the timing of each of these project components dated before the identification of the baseline violation. And you'd mentioned before that these needs were identified and prioritized as being significant enough to warrant replacement or upgrade? Why wasn't it done prior to identification of the baseline violation?

10:22:12 AM Asst Gen Counsel Nguyen PSC - witness Laslo
Note: Sacre, Candace Let me ask you this, you said that you identified that these needed to be replaced and upgraded and that you prioritized that to be the case, is that correct?

10:22:23 AM Asst Gen Counsel Nguyen PSC - witness Laslo
Note: Sacre, Candace Did you include that as part of the plans for the future budget for the maintenence and operations, operations and maintenance, of the Hazard Substation to include those amounts that would be required to replace or upgrade? Not all, but just any of the more critical components that needed to be done?

10:25:04 AM Asst Gen Counsel Nguyen PSC - witness Laslo
Note: Sacre, Candace I know that it's been stated that the proposed elements that were going to be added were basically done to reconfigure the schematic of the substation in order to isolate the areas so that the risk under the current design is that there is no sectionalization so if there's a fault from one asset will have a potential cascading effect throughout the entire substation. So given the current design and your evaluation of each of these components in terms of condition, performance, and risk, was there any urgency, five, ten years ago when these elements were identified as needing to be replaced or upgraded, that it needed to be replaced in a more timely fashion rather than waiting?

10:27:57 AM Asst Gen Counsel Nguyen PSC - witness Laslo
Note: Sacre, Candace So you were comfortable in not replacing any or all of the components that had been identified as being needed to be replaced or upgraded after it's been identified within the last five or ten years? You were comfortable with the fact that those components weren't replaced until just within the last year or two?

10:29:28 AM Asst Gen Counsel Nguyen PSC - witness Laslo
Note: Sacre, Candace I guess it comes down to the issue of reliability, right? The risk of bad substation, the reliability of risk of that substation, given the project components that are now needed to be replaced and upgraded.

10:29:43 AM Asst Gen Counsel Nguyen PSC - witness Laslo
Note: Sacre, Candace If you can turn to Kentucky Power's Response to Staff's Second Data Request, Item 10, are you there?

10:30:20 AM Asst Gen Counsel Nguyen PSC - witness Laslo
Note: Sacre, Candace This is the SAIDI and SAIFI values for the Hazard Substation for 2016, 2017, and 2018. Do you have that SAIDI and SAIFI figures for 2019 for Hazard Substation?

10:30:43 AM Asst Gen Counsel Nguyen PSC
Note: Sacre, Candace I hate to ask this, but could I request that as part of a Post-Hearing Data Request?

10:30:48 AM Atty Overstreet Kentucky Power
Note: Sacre, Candace Sure.

10:30:51 AM Atty Overstreet Kentucky Power
Note: Sacre, Candace And that's 2019, Quang?

10:30:53 AM Asst Atty Gen Nguyen PSC
Note: Sacre, Candace Yes, sir.

10:30:55 AM POST-HEARING DATA REQUEST
Note: Sacre, Candace 2019 SAIDI AND SAIF VALUES FOR HAZARD SUBSTATION

10:31:00 AM Asst Gen Counsel Nguyen PSC - witness Laslo
Note: Sacre, Candace So for 2016, 2017, and 2018, the SAIDI figure, can you explain what SAIDI is?

10:31:26 AM Asst Gen Counsel Nguyen PSC - witness Laslo
Note: Sacre, Candace So that measures the minutes of -

10:31:37 AM Asst Gen Counsel Nguyen PSC - witness Laslo
Note: Sacre, Candace So the values that are provided for 2016, 2017, and 2018, those are in minutes, is that correct?

10:31:46 AM Asst Gen Counsel Nguyen PSC - witness Laslo
Note: Sacre, Candace Let's look at 2016 and 2018. 2016 is 366 minutes, and 2018 is 404 minutes. How does that rank in terms of Kentucky Power's substations?

10:32:29 AM Asst Gen Counsel Nguyen PSC - witness Laslo
Note: Sacre, Candace I want to do it on an apples to apples comparison. The Hazard has both transmission and distribution feeds, so to the extent that there are other similar substations that have both transmission and substation, if -

10:33:24 AM Asst Gen Counsel Nguyen PSC - witness Laslo
Note: Sacre, Candace High range? That is, being poor?

10:33:29 AM Asst Gen Counsel Nguyen PSC - witness Laslo
Note: Sacre, Candace And then, for 2017, what occurred in 2017 to cause the minutes to -

10:34:06 AM Asst Gen Counsel Nguyen PSC - witness Laslo
Note: Sacre, Candace With respect to the SAIFI, what's a SAIFI?

10:34:17 AM Asst Gen Counsel Nguyen PSC - witness Laslo
Note: Sacre, Candace That just shows the number of times there's been an outage?

10:34:25 AM Asst Gen Counsel Nguyen PSC - witness Laslo
Note: Sacre, Candace Let's focus on 2016 and - I'm assuming that 2017 is impacted by the No. 4 Transformer failure as well?

10:34:35 AM Asst Gen Counsel Nguyen PSC - witness Laslo
Note: Sacre, Candace The SAIFI values for 2016 and 2018, how is that for the Hazard Substation?

10:34:49 AM Asst Gen Counsel Nguyen PSC - witness Laslo
Note: Sacre, Candace What would be the average for Kentucky Power?

10:34:56 AM Asst Gen Counsel Nguyen PSC - witness Laslo
Note: Sacre, Candace What about the SAIDI?

10:35:25 AM Asst Gen Counsel Nguyen PSC - witness Laslo
Note: Sacre, Candace Was that the SAIDI? The average SAIDI value for Kentucky Power's substation is 480?

10:35:43 AM Asst Gen Counsel Nguyen PSC - witness Laslo
Note: Sacre, Candace But then the Hazard SAIDI numbers are lower than the average ?

10:36:01 AM Asst Gen Counsel Nguyen PSC - witness Laslo
Note: Sacre, Candace Then, in Part B of the Response, that sort of identifies the causes of the outages, and in the second bullet, it's equipment failures associated with station or T-line components. Is that equipment failures that are independent of weather, animal intrusion, vegetation, and the like?

10:36:34 AM Asst Gen Counsel Nguyen PSC - witness Laslo
Note: Sacre, Candace Those equipment failures, would that be as a result of would that be as a result of the age and the condition of the deterioration of that component?

10:37:45 AM Asst Gen Counsel Nguyen PSC - witness Laslo
Note: Sacre, Candace Sure, but, in general, wouldn't you say that an older piece of equipment that's been maintained in a prudent manner would still be in a relatively worse condition than a newer piece of equipment of the same -

10:38:56 AM Asst Gen Counsel Nguyen PSC - witness Laslo
Note: Sacre, Candace Out of the causes of outages that are listed here, what would be the percentage of failure that was caused by - what would be the percentage of outage that would be caused by the equipment failure as compared to weather, animal intrusion, vegetation, or qualifiers?

10:40:27 AM Asst Gen Counsel Nguyen PSC - witness Laslo
Note: Sacre, Candace Right, so that's why I asked, but, in terms of equipment failures, the number of equipment failures at the Hazard substation, and this could just be due to the number of components and the size or it could be due to the condition and the performance of the component, itself, if you know, does the Hazard Substation experience more equipment failures as compared to other substations?

10:41:54 AM Asst Gen Counsel Nguyen PSC
Note: Sacre, Candace That's fair, sure. Those are all the questions I have.

10:42:19 AM Vice Chairman Cicero
Note: Sacre, Candace Mr. Overstreet, are you introducing this as an exhibit, or was this just a handout?

10:42:23 AM Atty Overstreet Kentucky Power
Note: Sacre, Candace It was just a demonstrative. It was part of the Application.

10:42:27 AM Vice Chairman Cicero
Note: Sacre, Candace So you're not going to introduce it here as additional -

10:42:30 AM Atty Overstreet Kentucky Power
Note: Sacre, Candace (Shook head negatively.)

10:42:31 AM	Vice Chairman Cicero Note: Sacre, Candace	Let's break until 11 o'clock.
10:42:49 AM	Session Paused	
11:00:15 AM	Session Resumed	
11:00:18 AM	Vice Chairman Cicero Note: Sacre, Candace	We're back on the record. Mr. Nyugen, you were done?
11:00:21 AM	Asst Gen Counsel Nguyen PSC Note: Sacre, Candace	Yes, sir, I'm done.
11:00:22 AM	Vice Chairman Cicero Note: Sacre, Candace	Chairman Schmitt, do you have any?
11:00:23 AM	Chairman Schmitt Note: Sacre, Candace	No questions.
11:00:24 AM	Vice Chairman Cicero Note: Sacre, Candace	Commissioner Mathews?
11:00:26 AM	Commissioner Mathews Note: Sacre, Candace	Just one.
11:00:34 AM	Commissioner Mathews - witness Laslo Note: Sacre, Candace	Examination. When we're looking at especially the upgrades or the increased functionality of some of these projects, how would those compete with other needs on the system? If you're sitting and looking, is it on a cost-benefit analysis sort of perspective? Is it better to spend the money on these upgrades, this increased efficiency, and I recognize the "while we're in there," or are there needs on the system, if you're just ranking need, you would move funds to a different area?
11:01:44 AM	Commissioner Mathews - witness Laslo Note: Sacre, Candace	Right, just the increased functionality.
11:02:01 AM	Commissioner Mathews - witness Laslo Note: Sacre, Candace	Right, and recognizing that you know the most about that system. You know where there's twine and bailing wire maybe, that being figurative, not literal.
11:02:31 AM	Commissioner Mathews - witness Laslo Note: Sacre, Candace	At the benefits of the sectionalizing versus the benefits of taking that same revenue or that same money and spending it somewhere else.
11:02:51 AM	Commissioner Mathews - witness Laslo Note: Sacre, Candace	And I guess the answer, "We didn't look at it that way," is the answer to the question.
11:03:12 AM	Commissioner Mathews - witness Laslo Note: Sacre, Candace	Now, right.
11:03:59 AM	Commissioner Mathews - witness Laslo Note: Sacre, Candace	But it's been going for a while, and this is a function of your testimony earlier about the long list of the needs on the system and the dollars.
11:04:49 AM	Commissioner Mathews - witness Laslo Note: Sacre, Candace	You don't want to wait until it's raining.
11:05:06 AM	Commissioner Mathews - witness Laslo Note: Sacre, Candace	The roof's leaking; patch it. But when you're looking one year out and you're making the decision, "Do I fix the roof? Well, while the guys are on top of the house, we could also change the gutters, and we could do a metal roof instead of shingles, and we could do architectural shingles instead of regular shingles." And when you do that, you make in your head a benefit cost analysis, right?

11:05:35 AM Commissioner Mathews - witness Laslo
Note: Sacre, Candace And I guess I was just wondering where this increased functionality fell on the long list of priorities of the transmission system in Kentucky Power?

11:06:02 AM Commissioner Mathews - witness Laslo
Note: Sacre, Candace Right, okay, but you can see why my -

11:06:16 AM Commissioner Mathews
Note: Sacre, Candace Okay, thank you. That's all I have.

11:06:22 AM Vice Chairman Cicero - witness Laslo
Note: Sacre, Candace Examination. Do you prioritize by levels? In other words, is it a Priority 1, a Priority 2, a Priority 5? Because you've already indicated that you prioritize, but then the projects don't necessarily become funded.

11:08:12 AM Vice Chairman Cicero - witness Laslo
Note: Sacre, Candace But isn't the Braidy project a stand-alone? That's not the type of project that we're evaluating here.

11:08:29 AM Vice Chairman Cicero - witness Laslo
Note: Sacre, Candace I'll let your answer stand but would challenge that to a certain degree. I'm interested in how you prioritize. You've already indicated that you have meetings both with resiliency and transmission and with accounting, but you're the guy on the ground that says, "I've evaluated these different projects, and these are my priorities." Then who takes those priorities and determines whether it's a high priority or a low priority?

11:12:32 AM Vice Chairman Cicero - witness Laslo
Note: Sacre, Candace So I'm back to my original question. Is there a level of priority? You've just indicated there's a higher priority and a lower priority. Is it ranked somehow?

11:14:23 AM Vice Chairman Cicero - witness Laslo
Note: Sacre, Candace How many outages would you attribute to equipment failures due to obsolescence or age? You've talked about a bathtub curve where initially there's equipment failures, but after that, it flattens out. Where does that figure into the priority level?

11:17:42 AM Vice Chairman Cicero - witness Laslo
Note: Sacre, Candace Here's where I'm going with this. In your testimony, you indicate that obsolescence does not necessarily generate a need, and I think previously it was indicated that just because there's an incidence above the manufacturer's recommended 10 that doesn't indicate a need. I think I heard that, both of those statements.

11:18:15 AM Vice Chairman Cicero - witness Laslo
Note: Sacre, Candace But, yet, if I look at the driver for asset replacement installation, 18 of the 20 indicate an example of obsolescence, while another six or seven indicate the faults exceed the manufacturers' recommended 10, so those are the primary reasons listed in this Exhibit 2?

11:18:38 AM Vice Chairman Cicero - witness Laslo
Note: Sacre, Candace That's correct, but now we're saying they're not necessarily overwhelming needs that create spending?

11:20:07 AM Vice Chairman Cicero - witness Laslo
Note: Sacre, Candace I would not argue that it appears there's a need. I guess my only question, in looking at the project, was how it became more of a need than a normal O&M need because a project was generated that initially indicated they weren't required for the CPCN that was issued in 2018, and, now, since those were indicated as supplemental, they're not supplemental. They're necessary, but they weren't necessary as a normal operating and maintenance need.

11:21:30 AM	Vice Chairman Cicero - witness Laslo Note: Sacre, Candace	I think I understand that, if it's in terms of trying to determine how to prioritize, how Kentucky Power does that, I don't know if we're there yet or not, but I understand, in your position, what you're saying is how you do it.
11:21:49 AM	Vice Chairman Cicero Note: Sacre, Candace	I don't have any other. Do you have any redirect?
11:21:53 AM	Atty Overstreet Kentucky Power Note: Sacre, Candace	Mr. Pollom, I think, does.
11:21:54 AM	Atty Pollom Kentuck Power Note: Sacre, Candace	Yes, Your Honor, we do.
11:21:55 AM	Atty Overstreet Kentucky Power Note: Sacre, Candace	That's perfectly fine.
11:21:55 AM	Vice Chairman Cicero Note: Sacre, Candace	I'm sorry.
11:21:56 AM	Atty Pollom Kentucky Power - witness Laslo Note: Sacre, Candace	Redirect Examination. Let me pick up right there, actually. When prioritization identifies something as a need, does that mean it must immediately be replaced?
11:22:08 AM	Atty Pollom Kentucky Power - witness Laslo Note: Sacre, Candace	Can you explain to us the difference between a need and an immediate need?
11:24:12 AM	Atty Pollom Kentucky Power - witness Laslo Note: Sacre, Candace	And it goes from becoming a need to an immediate need?
11:25:14 AM	Atty Pollom Kentucky Power - witness Laslo Note: Sacre, Candace	That's a need?
11:25:20 AM	Atty Pollom Kentucky Power - witness Laslo Note: Sacre, Candace	You just indicated that Kentucky Power regularly maintains and inspects its equipment, correct?
11:25:27 AM	Atty Pollom Kentucky Power - witness Laslo Note: Sacre, Candace	And that would include the equipment that is sought through this Application to be upgraded or replaced, correct?
11:25:39 AM	Atty Pollom Kentucky Power - witness Laslo Note: Sacre, Candace	If those maintenance and inspections reveal immediate threat to the liability or safety, does Kentucky Power react to that and, if so, how?
11:27:57 AM	Atty Pollom Kentucky Power - witness Laslo Note: Sacre, Candace	And have you ever overspent your capital budget to address safety and reliability needs?
11:28:12 AM	Atty Pollom Kentucky Power - witness Laslo Note: Sacre, Candace	In response to a question from Commission Staff, you were directed to Commission Staff's Second set of Data Requests, No. 2-10. Do you still have that in front of you?
11:28:28 AM	Atty Pollom Kentucky Power - witness Laslo Note: Sacre, Candace	Those are, to refresh your memory, the SAIDI and SAIFI scores, and you discussed those. I wanted to clarify a point. I may have misunderstood you. I understood you to say those SAIDI and SAIFI scores excluded jurisdictional major event days. The Data Request, as I read it, it indicates they're included, and I was wondering if you could clarify that.
11:29:33 AM	Atty Pollom Kentucky Power - witness Laslo Note: Sacre, Candace	And either now or in Post-Hearing Data Requests, can you provide that kind of apples to apples comparison?
11:29:42 AM	Atty Pollom Kentucky Power - witness Laslo Note: Sacre, Candace	Can you do it as you sit here today?

11:30:12 AM	Atty Pollom Kentucky Power - witness Laslo Note: Sacre, Candace	Commission Staff also asked you a question and predicated it with the idea that this Application work therein is, and I apologize that I didn't write down the exact quote but as close as I could get, basically done to reconfigure the station. Is that an accurate statement of why this Application was filed?
11:30:47 AM	Atty Pollom Kentucky Power - witness Laslo Note: Sacre, Candace	So there were separate reasons?
11:30:54 AM	Atty Pollom Kentucky Power - witness Laslo Note: Sacre, Candace	Who looks at asset performance?
11:31:43 AM	Atty Pollom Kentucky Power - witness Laslo Note: Sacre, Candace	And is that something Mr. Ali could speak to more specifically?
11:31:54 AM	Atty Pollom Kentucky Power - witness Laslo Note: Sacre, Candace	Similarly, Commissioner Mathews asked you some questions about what analyses had and hadn't been conducted. If an analysis of just sectionalizing had been done, is that something Mr. Ali could address?
11:32:08 AM	Atty Pollom Kentucky Power Note: Sacre, Candace	Nothing further at this time. Thank you, Your Honor.
11:32:10 AM	Vice Chairman Cicero Note: Sacre, Candace	Mr. McNeil?
11:32:12 AM	Asst Atty Gen McNeil Note: Sacre, Candace	I have one follow-up, if you don't mind.
11:32:14 AM	Asst Atty Gen McNeil - witness Laslo Note: Sacre, Candace	Recross Examination. Mr. Laslo, who defines a need versus an immediate need? Is that Kentucky Power, or is that AEP transmission planning group, or -
11:32:38 AM	Asst Atty Gen McNeil - witness Laslo Note: Sacre, Candace	And then, ultimately, to repair or replace, address the immediate need, would that also be Kentucky Power's decision?
11:33:42 AM	Asst Atty Gen McNeil - witness Laslo Note: Sacre, Candace	And those are both made also at Kentucky Power level?
11:34:23 AM	Asst Atty Gen McNeil Note: Sacre, Candace	Thank you. Nothing further.
11:34:25 AM	Vice Chairman Cicero Note: Sacre, Candace	Mr. Nguyen?
11:34:27 AM	Asst Gen Counsel Nguyen PSC - witness Laslo Note: Sacre, Candace	Just one question.
11:34:29 AM	Asst Gen Counsel Nguyen PSC - witness Laslo Note: Sacre, Candace	Recross Examination. I just wanted clarification on the Post-Hearing Data Request, so, for 2019, to provide both with and without the major event days, and then 2016, 2017, and 2018 provide it without major event days.
11:34:45 AM	Asst Gen Counsel Nguyen PSC Note: Sacre, Candace	That's all. Thank you, Your Honor.
11:34:47 AM	Vice Chairman Cicero Note: Sacre, Candace	Commissioner Schmitt?
11:34:48 AM	Commissioner Schmitt Note: Sacre, Candace	I have no questions.
11:34:49 AM	Vice Chairman Cicero Note: Sacre, Candace	Commissioner Mathews?
11:34:50 AM	Commissioner Mathews Note: Sacre, Candace	Nothing.
11:34:52 AM	Vice Chairman Cicero Note: Sacre, Candace	I have one last question.

11:34:54 AM	Vice Chairman Cicero - witness Laslo Note: Sacre, Candace	Examination. You've indicated that obsolescence or need aren't necessarily reasons for replacement. In this case, I think it's been indicated it's an efficiency consideration because you're already going to be working on a project, and, therefore, let's take care of it all at once.
11:36:52 AM	Vice Chairman Cicero - witness Laslo Note: Sacre, Candace	So somebody evaluates that?
11:36:56 AM	Vice Chairman Cicero - witness Laslo Note: Sacre, Candace	So how much money is Kentucky Power going to save by this consolidation and efficiency effort on this project versus doing it on an operations and maintenance perspective?
11:37:45 AM	Vice Chairman Cicero - witness Laslo Note: Sacre, Candace	Hasn't somebody done that evaluation already? because you're already using that as a basis for compiling this project the way you have. Obsolescence isn't necessarily an immediate need. Faults aren't necessarily an immediate need. But efficiency in order to complete these ancillary items because you're already going to be doing these other projects, it's been included, and my understanding is so an evaluation has to have already been performed, and there has to be some dollar amount associated with that, so that should have been done already, right?
11:38:33 AM	POST-HEARING DATA REQUEST Note: Sacre, Candace	DOLLAR AMOUNT ASSOCIATED WITH PROJECT
11:38:48 AM	Vice Chairman Cicero - witness Laslo Note: Sacre, Candace	As a Post-Hearing Data Request, I'd like to know what the dollar amount associated with it is because we've gone through prioritization, we've gone through whether it's obsolete, we've gone through whether faults make a difference, and we're kind of going in a circle, and so I'd like to know what the savings are associated with this that it's not done on a normal operating and maintenance basis. You've said it's already in the 99th percentile, the need's been established, the need was established ten years ago, you still didn't do it, it's depreciated out. I'd like to know what the dollars are.
11:39:31 AM	Vice Chairman Cicero - witness Laslo Note: Sacre, Candace	You're going to have to make that assessment. It's your presentation.
11:39:40 AM	Atty Overstreet Kentucky Power Note: Sacre, Candace	One question. In the past with this Commission, the Data Requests have actually been presented post-hearing in a written form.
11:39:52 AM	Vice Chairman Cicero Note: Sacre, Candace	They're going to be.
11:39:53 AM	Atty Overstreet Kentucky Power Note: Sacre, Candace	Oh, okay.
11:39:54 AM	Vice Chairman Cicero Note: Sacre, Candace	When we get to the end, here, we'll go through and make sure everything is - that we know the schedule and when staff will present, and you'll have - if it's not on a piece of paper, you don't have to worry about it.
11:40:05 AM	Atty Overstreet Kentucky Power Note: Sacre, Candace	Okay.
11:40:07 AM	Vice Chairman Cicero Note: Sacre, Candace	Mr. Pollom, do you have any last redirect?
11:40:10 AM	Atty Pollom Kentucky Power Note: Sacre, Candace	I do not, Your Honor. Thank you.

11:40:11 AM	Vice Chairman Cicero Note: Sacre, Candace	Can this witness be excused?
11:40:15 AM	Vice Chairman Cicero Note: Sacre, Candace	Do you have any other witnesses?
11:40:16 AM	Atty Overstreet Kentucky Power Note: Sacre, Candace	I do. We have one last witness, Your Honor. It's Kamron Ali.
11:40:40 AM	Vice Chairman Cicero Note: Sacre, Candace	Witness is sworn.
11:40:47 AM	Atty Overstreet Kentucky Power - witness Ali Note: Sacre, Candace	Direct Examination. Good morning, Mr. Ali. Would you please your name, your position, and your place of employment?
11:41:11 AM	Atty Overstreet Kentucky Power - witness Ali Note: Sacre, Candace	Did you cause to be filed in the record of these proceedings testimony and Responses to Data Requests?
11:41:19 AM	Atty Overstreet Kentucky Power - witness Ali Note: Sacre, Candace	Do you have any corrections or supplementations of that?
11:41:41 AM	Atty Overstreet Kentucky Power - witness Ali Note: Sacre, Candace	With that one change, if you were asked the same questions that are contained in your testimony and in the Data Requests to which you responded, would your answers be the same?
11:41:53 AM	Atty Overstreet Kentucky Power Note: Sacre, Candace	The witness is available, Your Honor.
11:41:54 AM	Vice Chairman Cicero Note: Sacre, Candace	Mr. McNeil?
11:41:55 AM	Asst Atty Gen McNeil Note: Sacre, Candace	Thank you.
11:41:56 AM	Asst Atty Gen McNeil - witness Ali Note: Sacre, Candace	Cross Examination. Good morning, Mr. Ali. I'm going to start with just a few questions about the process with PJM, so a certain number of projects in this Application were originally submitted to PJM as supplemental projects, is that correct?
11:42:16 AM	Asst Atty Gen McNeil - witness Ali Note: Sacre, Candace	They were resubmitted and reclassified now as baseline projects, those certain ones, is that right?
11:42:24 AM	Asst Atty Gen McNeil - witness Ali Note: Sacre, Candace	Are there any differences in the sort of analysis and oversight of PJM between when you present them as supplemental or baseline? For example, who runs the models, or who has the assumptions in each of those types of projects?
11:44:34 AM	Asst Atty Gen McNeil - witness Ali Note: Sacre, Candace	So, baseline, PJM comes to you with its own models and tells you what violations occurred and what needs to happen? Not completely correct?
11:45:35 AM	Asst Atty Gen McNeil - witness Ali Note: Sacre, Candace	But, in a supplemental project, is it true that AEP would have the data and run the models for its proposed assumptions and resolution, is that correct?
11:46:40 AM	Asst Atty Gen McNeil - witness Ali Note: Sacre, Candace	Right, as long as you bring it through the M3 process, that's how it works?

11:46:48 AM Asst Atty Gen McNeil - witness Ali
Note: Sacre, Candace I just have a few more questions. We talked some this morning about Capacitor Bank BB and sort of how that was identified as something in this project, in this Application, it no longer needed to be moved even though in the assumption it was indicated it did. Can you just speak to the internal process of how does AEP, in relation to Kentucky Power, determine what elements of a project are no longer needed or now they are needed, those changes as it goes along?

11:49:38 AM Asst Atty Gen McNeil
Note: Sacre, Candace Thank you. No further questions.

11:49:46 AM Vice Chairman Cicero
Note: Sacre, Candace Mr. Nguyen?

11:49:47 AM Asst Gen Counsel Nguyen PSC
Note: Sacre, Candace Yes, thank you.

11:49:48 AM Asst Gen Counsel Nguyen PSC - witness Ali
Note: Sacre, Candace Cross Examination. Good morning, Mr. Ali. Going back to the supplemental versus baseline, the supplemental process within PJM, as you described in your testimony, has been revised within the last year and a half, is that correct?

11:50:09 AM Asst Gen Counsel Nguyen PSC - witness Ali
Note: Sacre, Candace You'd mentioned also that it was as a result of a FERC proceeding that FERC directed PJM to revise its OATT tariff to provide a more transparent process for the supplemental projects, correct?

11:50:27 AM Asst Gen Counsel Nguyen PSC - witness Ali
Note: Sacre, Candace And that it was only to be done in a prospective basis after the tariff has been approved by FERC?

11:50:36 AM Asst Gen Counsel Nguyen PSC - witness Ali
Note: Sacre, Candace Do you know when PJM's revised supplemental process became effective?

11:50:52 AM Asst Gen Counsel Nguyen PSC - witness Ali
Note: Sacre, Candace So any supplemental projects prior to early 2018 were still identified as supplemental under the prior process?

11:51:11 AM Asst Gen Counsel Nguyen PSC - witness Ali
Note: Sacre, Candace Were any of the proposed components in this case that are identified as supplemental in the PJM process, were those under the former process or under the new process?

11:52:59 AM Asst Gen Counsel Nguyen PSC - witness Ali
Note: Sacre, Candace So was it just the Capacitor Bank BB that fell under the new PJM supplemental process, or were there other components?

11:53:09 AM Asst Gen Counsel Nguyen PSC - witness Ali
Note: Sacre, Candace All of the components within the project?

11:53:26 AM Asst Gen Counsel Nguyen PSC - witness Ali
Note: Sacre, Candace Thank you for that clarification. You've heard the line of questions to Mr. Wohnhas and to Mr. Laslo with respect to Kentucky Power as the operating company and how it identifies the needs in terms of what needs to be replaced or upgraded for the transmission components, so I kinda want to get from your perspective what the AEP transmission planning, its role and responsibility within the process itself with respect to Kentucky Power in identifying transmission needs that need to be addressed as well, so can you talk a little bit more about that in terms of what sort of collaborative participation that AEP Transmission has with respect to an operating company's evaluation and assessment of certain transmission needs?

11:55:30 AM Asst Gen Counsel Nguyen PSC - witness Ali
Note: Sacre, Candace I don't want to interrupt you, but when you say the asset, are you just talking about the substation as a whole or of the individual components that make up that substation?

11:57:54 AM Asst Gen Counsel Nguyen PSC - witness Ali
Note: Sacre, Candace In terms of the health assessment ranking, I know that that was provided - well, let me just confirm, was it provided in response to the Attorney General's First Data Request, Item 26?

11:58:41 AM Asst Gen Counsel Nguyen PSC - witness Ali
Note: Sacre, Candace In terms of the health assessment report that you've just mentioned in evaluating and sort of ranking the health of an asset, in this case, a substation, and I just want to ask you if this response shows the result of a health assessment evaluation for the Hazard Substation that was done by AEP Transmission?

11:59:14 AM Asst Gen Counsel Nguyen PSC - witness Ali
Note: Sacre, Candace It's First Data Request, Staff's Data Request, Item 26.

11:59:19 AM Atty Overstreet Kentucky Power
Note: Sacre, Candace May I approach, Your Honor?

11:59:21 AM Vice Chairman Cicero
Note: Sacre, Candace Sure.

11:59:22 AM Asst Gen Counsel Nguyen PSC - witness Ali
Note: Sacre, Candace Oh, I'm sorry. It's the Attorney General's First Data Request, Item 26.

12:00:09 PM Atty Overstreet Kentucky Power
Note: Sacre, Candace Mr. Nguyen, that's Attachment 2 to that Response.

12:00:13 PM Asst Gen Counsel Nguyen PSC
Note: Sacre, Candace I thought I saw something that was similar to - that's right.

12:00:20 PM Asst Gen Counsel Nguyen PSC
Note: Sacre, Candace So that this - so AG 1-26 is the scoring for the Hazard Substation, and then the actual substance of that evaluation was provided in the second Data Request.

12:00:37 PM Asst Atty Gen Nguyen PSC - witness Ali
Note: Sacre, Candace So in terms of - is the health evaluation assessment or report done on an annual basis?

12:01:45 PM Asst Gen Counsel Nguyen PSC - witness Ali
Note: Sacre, Candace So can you refer to Kentucky Power's Response to the Attorney General's Second Data Request, Item 7, the attachment, Attachment 2?

12:01:58 PM Asst Gen Counsel Nguyen PSC - witness Ali
Note: Sacre, Candace So this is what you mentioned before. This is the actual health assessment evaluation for the Hazard Substation. Can you identify when this was performed?

12:02:25 PM Asst Gen Counsel Nguyen PSC - witness Ali
Note: Sacre, Candace But there's nothing on these slides that show when it was performed?

12:02:45 PM Asst Gen Counsel Nguyen PSC - witness Ali
Note: Sacre, Candace Where it says the revision date after the project sponsor?

12:02:54 PM Asst Gen Counsel Nguyen PSC - witness Ali
Note: Sacre, Candace So this identified that the Hazard Substation is in the 99th percentile of Kentucky Power stations that need to be addressed. What does that mean that it's in the 99th percentile?

12:04:19 PM Asst Gen Counsel Nguyen PSC - witness Ali
Note: Sacre, Candace Would you know, off the top of your head, what the health assessment score for the Hazard Substation was in 2016 or 2015?

12:04:52 PM Asst Gen Counsel Nguyen PSC - witness Ali
Note: Sacre, Candace So the health assessment - is it the health evaluation review? Is that what it's called?

12:05:06 PM Asst Gen Counsel Nguyen PSC - witness Ali
Note: Sacre, Candace So that was implemented across AEP in 2016?

12:05:31 PM Staff Atty Nguyen PSC - witness Ali
Note: Sacre, Candace Could you provide that for 2015 and 2016?

12:05:33 PM POST-HEARING DATA REQUEST
Note: Sacre, Candace 2015 AND 2016 HAZARD SUBSTATION HEALTH EVALUATION REVIEWS/PERCENTILES

12:05:38 PM Atty Overstreet Kentucky Power
Note: Sacre, Candace Excuse me, Mr. Nguyen, I just want to understand because we've really been talking about two different metrics, if you will, in talking about the percentile where the Hazard Substation ranks among all of the Kentucky Power substations, and then we've been talking about, colloquially, the health assessment for the components of the substation, so are you asking for both or one or -

12:06:03 PM Asst Gen Counsel Nguyen PSC
Note: Sacre, Candace Well, let me get that clarified.

12:06:06 PM Asst Gen Counsel Nguyen PSC - witness Ali
Note: Sacre, Candace Is the 99 percent, the final result, a product of what we see here on the Response to AG's 2-7, Attachment No. 2?

12:06:33 PM Asst Gen Counsel Nguyen PSC
Note: Sacre, Candace So I guess I would want the actual evaluation for 2015 and 2016 as well as what the final number is for those two years as well.

12:06:44 PM Atty Overstreet Kentucky Power
Note: Sacre, Candace The percentile?

12:06:45 PM Asst Gen Counsel Nguyen PSC
Note: Sacre, Candace Yes.

12:06:49 PM Asst Gen Counsel Nguyen PSC - witness Ali
Note: Sacre, Candace In your opinion, Mr. Ali, would a 99th percentile ranking would that have changed dramatically from the year before?

12:08:13 PM Asst Gen Counsel Nguyen PSC - witness Ali
Note: Sacre, Candace So since we don't have the evaluation for the Hazard Substation in 2016 and 2015, I'll just ask you your point of view. In terms of the characteristics of the Hazard Substation, would you anticipate that that 99th percentile number to be significantly different in 2016 and 2015?

12:10:12 PM Asst Gen Counsel Nguyen PSC - witness Ali
Note: Sacre, Candace So now that based upon the 2017 health assessment report for the Hazard Substation showing that it's at the 99th percentile which reflected an immediate need to address those concerns, at what point would the result from the health assessment report trigger an immediate need to address those outside of it being at the 99th percentile?

12:11:29 PM Asst Gen Counsel Nguyen PSC - witness Ali
Note: Sacre, Candace I guess it really isn't - well, is the 99th percentile the absolute level that would need some action to be done immediately?

12:13:24 PM Asst Gen Counsel Nguyen PSC - witness Ali
Note: Sacre, Candace So is it fair to say that, if an asset registers in the 99th percentile, it would require some additional review of what's causing it to be ranked that high and to determine what necessary steps would need to be taken to remediate that?

12:14:02 PM Asst Gen Counsel Nguyen PSC - witness Ali
Note: Sacre, Candace Just one last question. It's one for clarification for me. In terms of the communication equipment upgrade for the Wooton Substation, I believe that on Exhibit 2 it identified the Wooton Communication Substation, even though the substation was constructed in 2006, that that communication system was already out of date.

12:16:20 PM Asst Gen Counsel Nguyen PSC - witness Ali
Note: Sacre, Candace So is it because, and I understand that all three components for the Wooton Substation has been reclassified from supplemental to baseline in order to connect that 161, the new 161 kv line, so is it that the communication system, the relay system, that's being upgraded from the Hazard Substation has to be the same make/model, whatever, for the Wooton Substation, and so even though the Wooton Substation was constructed in 2006, it just had a different communication system in place that would now be not able to communicate with the Hazard Substation?

12:17:43 PM Asst Gen Counsel Nguyen PSC - witness Ali
Note: Sacre, Candace So absent the upgrade to the 161 kv line from Wooton to Hazard, absent that, the communication, the relay system at the Wooton Substation would be functional for that substation as it is? Do you understand my question?

12:18:08 PM Asst Gen Counsel Nguyen PSC - witness Ali
Note: Sacre, Candace So if the 161 kv line from Wooton to Hazard was not constructed, was not needed, was not built and the Wooton Substation communication relay system as it is now, would it be outmoded? It would still function as it was intended to do?

12:19:09 PM Asst Gen Counsel Nguyen PSC
Note: Sacre, Candace Those are all the questions I have. Thank you.

12:19:11 PM Chairman Schmitt
Note: Sacre, Candace I have no questions.

12:19:12 PM Vice Chairman Cicero
Note: Sacre, Candace Commissioner Mathews?

12:19:14 PM Commissioner Mathews - witness Ali
Note: Sacre, Candace Examination. I think you were punted my question on how much was baseload and how much was supplemental with regards to the total project cost

12:20:28 PM Commissioner Mathews
Note: Sacre, Candace Thank you. That's all.

12:20:33 PM Vice Chairman Cicero - witness Ali
Note: Sacre, Candace Examination. I only have one comment, and I'm going to go back to this need versus efficiency. The exhibit that was presented, in almost every case, indicates obsolescence due to age, obsolescence because it won't communicate, or there's faults in it, and it mentions the number of faults, and if I understand in all the testimony that I've heard, those are really irrelevant from an overriding prioritization for Kentucky Power. Is that an accurate statement?

12:22:18 PM	Vice Chairman Cicero - witness Ali Note: Sacre, Candace	So I'm going to go back to testimony from the two prior gentlemen witnesses that indicated that in evaluation there's really no structured prioritization of need. It comes down to dollars and if a part is failing to the point it's an immediate need, but it doesn't necessarily depend on obsolescence or fault. And I still haven't been able to determine how prioritization is established because Mr. Laslo indicated he has his particular prioritization, but, at that point, once his priorities are established, I'm not certain how those are presented to put it in the hierarchy of what's the most pressing and what's not the most pressing.
12:24:59 PM	Vice Chairman Cicero - witness Ali Note: Sacre, Candace	So you mentioned three priorities. Safety came first; if it's going to cost dollars because it's a violation, number two; and then there was number three. Are those three structured as policy in Kentucky Power, or are those three you used as examples in explaining?
12:26:12 PM	Vice Chairman Cicero - witness Ali Note: Sacre, Candace	So not to interrupt you, but I understand all of those variables. Is there a structured hierarchy procedure that Kentucky Power uses that assigns a value so that we could see how those priorities are established, or are all those variables you're speaking to just a function of a group that interacts with each other and says, "I think this is a higher priority than this one," or is there something that actually exists that says, "This is how we do it?"
12:27:09 PM	Vice Chairman Cicero - witness Ali Note: Sacre, Candace	And my only comment is, when it's not structured or written, it becomes subjective, and subjective usually means it goes to those who are making the decisions. Not all bad. I'm just saying it's hard for an evaluation from an outside organization to understand the policies within Kentucky Power because you're very well versed in the operation of Kentucky Power, but, from an outsider, I can only understand from the perspective of listening to you testify for some short period of time rather than understanding how something works if it's laid out procedurally for the organization, as a whole, to understand.
12:29:04 PM	Vice Chairman Cicero - witness Ali Note: Sacre, Candace	So I'd make one last comment. Subjectivity is also varied to the degree of the personality that presents it and how the group accepts that opinion, so there's a multiplier or an exponential factor that goes with subjectivity when different groups meet in order to establish a priority that is not set in type of a policy or procedure.
12:29:52 PM	Vice Chairman Cicero Note: Sacre, Candace	I don't have any other questions. Mr. Overstreet, would you like to redirect?
12:29:55 PM	Atty Overstreet Kentucky Power Note: Sacre, Candace	I am the right one this time. Thank you, Vice Chair.
12:30:00 PM	Atty Overstreet Kentucky Power - witness Ali Note: Sacre, Candace	Redirect Examination. Mr. Ali, I have a couple of questions for you. You spoke about the allocation of the cost of this project. You said it's allocated to the AEP zone, and then, within the zone, it's allocated to the various operating companies. Did I understand you correctly?
12:30:29 PM	Atty Overstreet Kentucky Power - witness Ali Note: Sacre, Candace	And I may have missed it. Did you put a percentage?
12:30:33 PM	Atty Overstreet Kentucky Power - witness Ali Note: Sacre, Candace	And what is that?

12:32:24 PM Atty Overstreet Kentucky Power - witness Ali
Note: Sacre, Candace And, just to clarify, that six percent allocating percentage is applied, without regard and with respect to this particular project, is applied without regard to whether it's a baseline or supplemental compent?

12:33:05 PM Commisioner Mathews - witness Ali
Note: Sacre, Candace Examination. Which is great except that also means you get six percent of the line in Cleveland or someplace, Columbus?

12:33:17 PM Atty Overstreet Kentucky Power - witness Ali
Note: Sacre, Candace Redirect Examination (cont'd). Mr. Ali, was there an analysis performed that examined the proposal with respect to the functionality components of this project or the sectionalizing components of this proejct?

12:35:37 PM Atty Overstreet Kentucky Power - witness Ali
Note: Sacre, Candace Okay, thank you, and then I'm going where no attorney should. I'm going to try to do some lawyer math. I just want to clarify the notion of a percentile, okay? And we talked about thT Hazard Substation being at the 99th percentile. Is it accurate to say that a percentile is a relative ranking among the population?

12:36:12 PM Atty Overstreet Kentucky Power - witness Ali
Note: Sacre, Candace And would it also be accurate to say that a particular substation's percentile could change depending not only on the condition of that particular substation but the condition of every other substation to which it's being compared?

12:37:01 PM Atty Overstreet Kentucky Power - witness Ali
Note: Sacre, Candace And so, if in year one a substation that had a lower percentile for whatever reason, some sort of emergency or whatever, those needs were addressed - I've got it backwards. I told you lawyer math. If a higher substation were addressed and those needs and so it would fall down, then everything below it could move up. Is that accurate?

12:37:53 PM Atty Overstreet Kentucky Power - witness Ali
Note: Sacre, Candace Could you provide some further explanation about - I think I'm right on this - about why we have elected, why Kentucky Power has elected, not to replace, was it, Circuit Breaker R in this project?

12:38:56 PM Atty Overstreet Kentucky Power - witness Ali
Note: Sacre, Candace And is that because Breaker R is 69 kV right now?

12:39:01 PM Atty Overstreet Kentucky Power
Note: Sacre, Candace I think that's all the questions I have.

12:39:03 PM Vice Chairman Cicero
Note: Sacre, Candace Mr. McNeil?

12:39:05 PM Asst Atty Gen McNeil
Note: Sacre, Candace I don't have anything further.

12:39:06 PM Vice Chairman Cicero
Note: Sacre, Candace Mr. Nguyen?

12:39:07 PM Asst Gen Counsel Nguyen PSC - witness Ali
Note: Sacre, Candace Just one additional clarifying question, Mr. Ali. There were two alternatives that were considered to this project, correct?

12:39:22 PM Asst Gen Counsel Nguyen PSC - witness Ali
Note: Sacre, Candace Just to the Hazard Substation.

12:39:25 PM Asst Gen Counsel Nguyen PSC - witness Ali
Note: Sacre, Candace So the first alternative was - was it the construction of a different substation at a different location?

12:39:32 PM Asst Gen Counsel Nguyen PSC - witness Ali
Note: Sacre, Candace And that price tag was \$35 million?

12:39:45 PM	Asst Gen Counsel Nguyen PSC - witness Ali Note: Sacre, Candace	And then the other alternative was to reconfigure the 69 kV to a ring loop?
12:41:00 PM	Asst Gen Counsel Nguyen PSC - witness Ali Note: Sacre, Candace	So that was why there was no costs or cost estimate assigned to that second alternative?
12:41:07 PM	Asst Gen Counsel Nguyen PSC Note: Sacre, Candace	Thank you, Your Honor.
12:41:08 PM	Vice Chairman Cicero Note: Sacre, Candace	Any other questions?
12:41:09 PM	Chairman Schmitt Note: Sacre, Candace	No questions.
12:41:10 PM	Commissioner Mathews Note: Sacre, Candace	No, thank you.
12:41:11 PM	Vice Chairman Cicero Note: Sacre, Candace	I have nothing else. May Mr. Ali be excused?
12:41:14 PM	Asst Gen Counsel Nguyen PSC Note: Sacre, Candace	Yes.
12:41:15 PM	Vice Chairman Cicero Note: Sacre, Candace	Thank you.
12:41:17 PM	Atty Overstreet Kentucky Power Note: Sacre, Candace	That's our final witness, Your Honor.
12:41:19 PM	Vice Chairman Cicero Note: Sacre, Candace	Thank you. Mr. McNeil, do you have anything?
12:41:21 PM	Asst Atty Gen McNeil Note: Sacre, Candace	I do not have anything further.
12:41:23 PM	Vice Chairman Cicero Note: Sacre, Candace	Mr. Nguyen?
12:41:24 PM	Asst Gen Counsel Nguyen PSC Note: Sacre, Candace	Nothing further, Your Honor.
12:41:26 PM	Vice Chairman Cicero Note: Sacre, Candace	So there were several Requests for information. Mr. Nguyen, I presume you can have something out by the 6th? Today's the 4th. Two days, a couple of days?
12:41:44 PM	Asst Gen Counsel Nguyen PSC Note: Sacre, Candace	Sure.
12:41:46 PM	Vice Chairman Cicero Note: Sacre, Candace	And will you be able to respond by, say, the 21st? That's two weeks.
12:41:51 PM	Atty Overstreet Kentucky Power Note: Sacre, Candace	Yes, Your Honor.
12:41:53 PM	Vice Chairman Cicero Note: Sacre, Candace	And you had a Post-Hearing Data Request, did you not, Mr. Pollom?
12:41:57 PM	Atty Pollom Kentucky Power Note: Sacre, Candace	We offered one.
12:41:59 PM	Asst Gen Counsel Nguyen PSC Note: Sacre, Candace	I think it was the same in terms of the SAIDI and the SAIFI -
12:42:04 PM	Atty Pollom Kentucky Power Note: Sacre, Candace	Right.
12:42:05 PM	Asst Gen Counsel Nguyen PSC Note: Sacre, Candace	- with and without the event day, the major event day, so I'll incorporate that in mine, so that way -
12:42:12 PM	Vice Chairman Cicero Note: Sacre, Candace	You'll incorporate it, so he will be the official -

12:42:15 PM	Atty Overstreet Kentucky Power Note: Sacre, Candace	Scrivener?
12:42:16 PM	Vice Chairman Cicero Note: Sacre, Candace	- scrivener of the hearing and let you know in writing what it is that's being requested so that you can respond appropriately.
12:42:26 PM	Vice Chairman Cicero Note: Sacre, Candace	If there' s no other motions, no other -
12:42:28 PM	Atty Overstreet Kentucky Power Note: Sacre, Candace	I was just wondering if the Commission would be interested in briefs?
12:42:32 PM	Vice Chairman Cicero Note: Sacre, Candace	Are you interested in preparing a brief?
12:42:34 PM	Atty Overstreet Kentucky Power Note: Sacre, Candace	I would be very much interested.
12:42:37 PM	Vice Chairman Cicero Note: Sacre, Candace	Okay, so I'm going to defer to the Chair, here, a little bit on scheduling briefs because he's much better than I am at that.
12:42:43 PM	Chairman Schmitt Note: Sacre, Candace	So, I guess, if your Response is two weeks from Friday, how much time, Mr. Overstreet, would you like for a brief? Is there a time limit?
12:42:55 PM	Asst Gen Counsel Nguyen PSC Note: Sacre, Candace	There is not, other than mentioned by Mr, Wohnhas at the beginning of an Order by May, end of May or -
12:43:03 PM	Mr. Wohnhas Note: Sacre, Candace	First part of May, I think.
12:43:05 PM	Chairman Schmitt Note: Sacre, Candace	We've got plenty of time.
12:43:10 PM	Atty Overstreet Kentucky Power Note: Sacre, Candace	Mr. McNeil, I don't - do you have a - 20 days?
12:43:19 PM	Asst Gen Counsel McNeil Note: Sacre, Candace	That would be fine. The 21st of March is, yeah, okay for us.
12:43:23 PM	Atty Overstreet Kentucky Power Note: Sacre, Candace	Twenty days, and then what about some sort of brief reply? Simultaneous brief replies?
12:43:34 PM	Chairman Schmitt Note: Sacre, Candace	You're not going to brief until the Data Requests are responded to, right? So that would be the 21st. So if you had five days until the 28th, what are you talking about? The 13th or 20th? If you had two weeks, I mean, you're talking about - how many days do you think that you'll need? You're going to be briefing first, right?
12:43:54 PM	Atty Overstreet Kentucky Power Note: Sacre, Candace	Okay, so we're going to do it -
12:43:57 PM	Chairman Schmitt Note: Sacre, Candace	Really, I know we talked about - I don't like simultaneous briefs, myself. I think you ought to have the opportunity to respond, but if you want to, that's okay, but I'd rather have the brief, the response, and the reply brief.
12:44:11 PM	Atty Overstreet Kentucky Power Note: Sacre, Candace	So let me turn to my co-counsel, here.
12:44:13 PM	Chairman Schmitt Note: Sacre, Candace	Okay, sure.
12:44:44 PM	Atty Overstreet Kentucky Power Note: Sacre, Candace	Fourteen-fourteen-ten, would that -

12:44:48 PM	Chairman Schmitt Note: Sacre, Candace	That'd be fine. Your brief could be due on the 6th, the Attorney General's on the 20th, and then you could go on April 1st, April 2nd. That'd give you about ten days. Fourteen, fourteen, and ten.
12:45:09 PM	Asst Atty Gen McNeil Note: Sacre, Candace	That'll be fine.
12:45:12 PM	Chairman Schmitt Note: Sacre, Candace	We'll see that Order gets out, here, this afternoon.
12:45:14 PM	Atty Overstreet Kentucky Power Note: Sacre, Candace	Thank you, Your Honor.
12:45:15 PM	Atty Pollom Kentucky Power Note: Sacre, Candace	Thank you.
12:45:17 PM	Vice Chairman Cicero Note: Sacre, Candace	Okay. Does that take care of all business as far as there's no motions, anything else?
12:45:22 PM	Atty Overstreet Kentucky Power Note: Sacre, Candace	No, Your Honor, no exhibits to enter or anything.
12:45:24 PM	Vice Chairman Cicero Note: Sacre, Candace	This hearing is adjourned.
12:45:34 PM	Session Ended	

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