

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.
CONSTRUCT A 138 KV TRANSMISSION LINE	)	2020-00062
AND ASSOCIATED FACILITIES IN PIKE AND	)	
FLOYD COUNTIES, KENTUCKY	)	

ORDER

On September 3, 2020, Kentucky Power Company (Kentucky Power) filed an application, pursuant to KRS 278.020(2) and 807 KAR 5:001, Section 15, for a Certificate of Public Convenience and Necessity (CPCN) authorizing it to (1) construct approximately five miles of new double circuit 138-kiloVolt (kV) transmission line in Floyd and Pike counties, Kentucky (Kewanee 138 kV Transmission Line Extension); (2) construct portions of a new 138 kV substation south of and adjacent to the Kentucky Enterprise Industrial Park (Kewanee 138 kV Substation); (3) retire the existing Fords Branch 46 kV Substation (Fords Branch Substation), (collectively, the Kewanee-Enterprise Park 138 kV Transmission Project). The Commission established a procedural schedule for the orderly processing of this matter by Order on September 24, 2020, and provided for a deadline to request intervention. By Order on October 2, 2020, the Commission granted Kentucky Power's motion to amend the procedural schedule. No party sought intervention in this matter. Kentucky Power has responded to three requests for

information from Commission Staff,<sup>1</sup> and has filed monthly reports with the Commission documenting its property acquisition progress for the purchase of right-of-way easements needed to construct the Kewanee 138 kV Transmission Line Extension.

Given that Kentucky Power has verified that it has mailed the information required by 807 KAR 5:120, Section 2(3), to each property owner located within the Filing Corridor, including each property owner over whose property the proposed transmission line will cross, as indicated by the records of the Floyd County Property Valuation Administrator and the Pike County Property Valuation Administrator, except as corrected or updated upon landowner contact or other research, and that no party has sought intervention in this matter,<sup>2</sup> the Commission finds that a public hearing is not necessary for the public interest or for the protection of substantial rights. Therefore, this matter is before the Commission on the evidentiary record. Having reviewed the record and being otherwise sufficiently advised, the Commission finds that Kentucky Power's request for a CPCN should be granted subject to the conditions discussed below.

## BACKGROUND

### Prior Proceedings

This project is substantially the same as the project for which the Commission granted a conditional CPCN in Case No. 2018-00209.<sup>3</sup> At that time, the need driving the project was meeting the electricity demand of Enerblu, which was expected to build a

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<sup>1</sup> Response to Staff's First Request (filed Oct. 26, 2020), Response to Staff's Second Request (filed Dec. 2, 2020), Response to Staff's Third Request (filed Dec. 2, 2020), and Supplemental Response to Staff's First Request (filed Dec. 4, 2020).

<sup>2</sup> Application at 16–18, Exhibits 12 and 13.

<sup>3</sup> Case No. 2018-00209, *Electronic Application of Kentucky Power Company for a Certificate of Public Convenience and Necessity to Construct a 138-kV Transmission Line and Associated Facilities in Pike and Floyd Counties, Kentucky*, (Ky. PSC Dec. 6, 2018).

facility at the Kentucky Enterprise Industrial Park in Pikeville, Kentucky. The Commission granted the CPCN conditioned upon Enerblu providing written evidence of sufficient financing to complete construction on its planned facility in the industrial park.<sup>4</sup> Ultimately, Enerblu filed for Chapter 7 bankruptcy and the Commission initiated an investigation in Case No. 2019-00369 to determine whether the CPCN could be canceled.<sup>5</sup> Kentucky Power filed testimony indicating no objection to the cancellation of the CPCN, but indicating it still planned to pursue the project as a means to address PJM Interconnection, LLC (PJM) criteria violations and other reliability concerns in Kentucky Power's Pikeville District.<sup>6</sup> Kentucky Power states that the project it currently proposes eliminates one 138/12-kV transformer, one 138/34.5 kV transformer, and standard left and right hand rural distribution structures with three distribution feeder positions in each bay from the substation for which it previously sought Commission approval in Case No. 2018-00209.<sup>7</sup>

#### PJM Baseline Thermal and Voltage Criteria Violations

Kentucky Power asserts that the need driving this project is the need to address the PJM Baseline thermal and voltage criteria violations on its existing 46 kV Pikeville area subtransmission network. PJM is a regional transmission organization (RTO) approved by the Federal Energy Regulatory Commission (FERC). The purpose of an RTO is to promote the regional administration of high-voltage transmission and ensure

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<sup>4</sup> *Id.*

<sup>5</sup> Case No. 2019-00369, *Electronic Investigation of Kentucky Power Company's Need for the Enterprise Park Project* (Ky. PSC Oct. 9, 2019).

<sup>6</sup> *Id.*, Direct Testimony of Raine K. Wohnhas (filed Nov. 5, 2019).

<sup>7</sup> Application at 11.

nondiscriminatory access to transmission systems. PJM coordinates and administers the movement of wholesale electricity in all or parts of 13 states and the District of Columbia. The Commission approved Kentucky Power's transfer of functional operation of its transmission facilities, subject to certain stipulations, to PJM by Order on May 19, 2004, in Case No. 2002-00475.<sup>8</sup> Kentucky Power began participating in the PJM energy market on October 1, 2004. As discussed in Case No. 2019-00154, PJM's Regional Transmission Expansion Process (RTEP) is a 24-month planning process that identifies reliability issues over a 15-year horizon and is guided by planning criteria established by PJM, the North American Electric Reliability Corporation, Reliability First Corporation, and American Electric Power (AEP).<sup>9</sup>

The RTEP process generally results in two categories of projects, Baseline and Supplemental.<sup>10</sup> Baseline Projects are those transmission expansions or enhancements that are needed to comply with PJM's system reliability, operational performance, or market efficiency criteria, as well as projects that are needed to meet Transmission Owners' local transmission planning criteria.<sup>11</sup> Kentucky Power participates in the planning process through AEP Transmission.<sup>12</sup> As a participant in PJM, Kentucky Power must achieve and maintain compliance with respect to PJM's system reliability,

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<sup>8</sup> Case No. 2002-00475, *Application of Kentucky Power Company D/B/A American Electric Power for Approval, to the Extent Necessary, to Transfer Functional Control of Transmission Facilities Located in Kentucky to PJM Interconnection, L.L.C. Pursuant to KRS 278.218.*(Ky. PSC May 19, 2004).

<sup>9</sup> See Case No. 2019-00154, *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* (Ky. PSC May 28, 2020) and Direct Testimony of Karmen Ali at 6.

<sup>10</sup> *Id.*

<sup>11</sup> *Id.*

<sup>12</sup> *Id.*

operational performance, and market efficiency criteria determined by PJM's Office of the Interconnection. Several criteria violations were identified in the Winter 2023 RTEP plan for the loss of various combinations of lines and transformers serving the area.<sup>13</sup> The proposed project is required to address Baseline thermal and voltage criteria violations set forth by PJM criteria.<sup>14</sup> The project was assigned PJM baseline upgrade ID b3087.1 through b3087.4.<sup>15</sup>

The criteria violations Kentucky Power seeks to address by the proposed project are:

1. For the loss of the Cedar Creek 138/69/46 kV transformer or the Cedar Creek-Fords Branch 46 kV line:
  - Voltage magnitude issues are experienced at Fords Branch 46 kV Substation.
2. For the loss of the Cedar Creek 138/69/46 kV transformer and the Beaver Creek-Elwood 46 kV line:
  - The Dorton 138/46 kV transformer will load 1 to 103 percent of its winter emergency rating;
  - The Breaks 69/46 kV transformer will load to 104 percent of its winter emergency rating;
  - The Henry Clay-Elwood 46 kV line section (~5.8 miles) will load to 125 percent of its winter emergency rating; and
  - Voltage deviation and magnitude issues are experienced at Fords Branch, Pike 29, Elwood, Henry Clay, Draffin, and Burdine 46 kV substations.
3. For the loss of the Cedar Creek 138/69/46 kV transformer and the Dorton 138/46 kV transformer:
  - Voltage deviation and magnitude issues are experienced at Fords Branch, Pike 29, Elwood, Henry Clay, and Burdine 46 kV substations.

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<sup>13</sup> Application at 2–4.

<sup>14</sup> *Id.*, Appendix, Direct Testimony of Brian West (West Testimony) at 13.

<sup>15</sup> Application at 19.

4. For the loss of the Cedar Creek 138/69/46 kV transformer and Dorton-Elwood-Breaks 46 kV circuit:
  - The Burton-Elwood 46 kV line section (~8.3 miles) loads to 130 percent of its winter emergency rating;
  - The Burton-Beaver Creek 46 kV line section (~2.2 miles) loads to 119 percent of its winter emergency rating;
  - The Beaver Creek 138/69/46 kV transformer #1 will load to 103 percent of its winter emergency rating;
  - Voltage magnitude issues are experienced at Fords Branch, Pike 29, and Elwood 46 kV substations; and
  - Voltage deviation issues are experienced at Fords Branch, Pike 29, Elwood, and Burton 46 kV substations.
5. For the loss of the Dorton 138/46 kV and Breaks 69/46 kV transformers:
  - Voltage magnitude and deviation issues are experienced at Henry Clay, Draffin, and Burdine 46 kV substations.<sup>16</sup>

Kentucky Power states that the Baseline planning criteria violations listed above arise because the load being served by the 46 kV network exceeds the network's capacity under certain system conditions.<sup>17</sup> These violations must be remedied by December 1, 2023.<sup>18</sup>

#### Additional Benefits of the Project

In addition to resolving the PJM Baseline thermal and voltage criteria violations, Kentucky Power maintains that the project as currently proposed will also permit Kentucky Power to address the aging infrastructure needs of the Fords Branch 46 kV Substation,

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<sup>16</sup> *Id.*, Appendix, Direct Testimony of Nicholas Koehler (Koehler Testimony) at 2–3.

<sup>17</sup> *Id.* at 5.

<sup>18</sup> Application at 23.

and provide additional capacity for the Pikeville area's 34.5 kV and 12 kV distribution system.<sup>19</sup> Kentucky Power states that the Pikeville Medical Center, which is presently served from the South Pikeville-Hospital 12 kV circuit, is expected to add 2 MVA of load in 2021.<sup>20</sup> According to Kentucky Power, the new capacity from this project will permit it to balance the loads among the distribution circuits to accommodate known and future load growth.<sup>21</sup> Kentucky Power also maintains that the additional distribution circuits will enhance reliability by providing additional routes to feed customers during planned and unplanned outages.<sup>22</sup>

## THE CURRENT PROJECT

### Kewanee 138 kV Transmission Line Extension

Kentucky Power proposes to construct the Kewanee 138 kV Transmission Line Extension by connecting to the Beaver Creek-Cedar Creek circuit of its existing Sprigg-Beaver Creek 138 kV Transmission Line, between Route 3379 and route 1426 in eastern Floyd County, Kentucky. The line will proceed parallel to the existing Big Sandy-Broadford 765 kV Transmission Line for approximately 1.3 miles. The transmission line then turns in a more southeasterly direction for approximately 3.7 miles where it terminates at the proposed Kewanee 138 kV substation. Kentucky Power states that the proposed route principally crosses remote and rugged terrain that was previously surface mined and reclaimed.<sup>23</sup>

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<sup>19</sup> *Id.* at 19.

<sup>20</sup> Koehler Testimony at 4.

<sup>21</sup> *Id.* at 4–5.

<sup>22</sup> *Id.* at 5.

<sup>23</sup> Application at 7.

Although Kentucky Power states the final number of structures, as well as structure type and location, will be determined as part of final engineering based on a ground survey and geotechnical studies, it currently anticipates that the Kewanee 138 kV Transmission Line Extension will consist of 19 structures.<sup>24</sup> Of the 19 expected structures, 16 are anticipated to be double-circuit galvanized lattice steel towers. One double-circuit monopole steel structure with davit arms is also anticipated, as well as one single-circuit monopole steel structure to be located at the Kewanee 138 kV Substation site.<sup>25</sup> The final structure will be an additional double-circuit galvanized lattice steel tower located at the tap point on the Sprigg-Beaver Creek 138 kV Transmission Line.<sup>26</sup> Kentucky Power states that structure height above the ground will vary, but the current design indicates that the average above ground height of the proposed double-circuit structures will be approximately 110 feet.<sup>27</sup> The proposed double-circuit structures will support six conductors and two overhead ground wires. The conductors will consist of 1,033.5 kcmil ACSR conductors. The overhead ground wires will consist of one Alumoweld wire and one fiber optic overhead ground wire, which will be used for relaying communications between stations.<sup>28</sup>

#### The Proposed Route and the Alternate Route

Kentucky Power proposes a route for the Kewanee 138 kV Transmission Line Extension based on a multistage siting process in which it considered technical

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<sup>24</sup> *Id.* at 8.

<sup>25</sup> *Id.*

<sup>26</sup> *Id.*

<sup>27</sup> *Id.*

<sup>28</sup> *Id.* at 9.



requirements, potential costs, and the interests of stakeholders.<sup>29</sup> The proposed route parallels the existing Big Sandy-Broadford 765 kV Transmission Line for 1.3 miles.<sup>30</sup> The proposed route turns southeasterly for 3.7 miles and crosses Island Creek, Long Branch, and Compton Branch taking advantage of the terrain and spanning high above these waterways and their parallel roads.<sup>31</sup> The proposed route connects to the proposed Kewanee 138 kV Substation site located south and adjacent to the Enterprise Park.<sup>32</sup>

The alternate route considered by Kentucky Power was slightly shorter, but Kentucky Power asserts the proposed route requires fewer structures and parcel crossings, is farther from residential development, and can make greater use of existing access roads than the alternate route.<sup>33</sup> Kentucky Power states that the proposed route has a more favorable tap location on the Sprigg-Beaver Creek 138 kV Transmission Line due to better terrain and overall constructability and access.<sup>34</sup> For these reasons, Kentucky Power anticipates the proposed route to be less costly than the alternative route.<sup>35</sup>

#### The Right-of-Way and the Filing Corridor

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<sup>29</sup> *Id.*, Appendix, Direct Testimony of Emily Larson (Larson Testimony) at 3–5 and 8–20.

<sup>30</sup> Application at 21.

<sup>31</sup> Application, Exhibit 7 at 6–7.

<sup>32</sup> *Id.*

<sup>33</sup> Larson Testimony at 22.

<sup>34</sup> *Id.*

<sup>35</sup> *Id.*

Kentucky Power anticipates acquiring a right-of-way for the proposed route that is 100 feet wide (50 feet on either side of the centerline).<sup>36</sup> Kentucky Power states a widened right-of-way may be required for certain longer spans and in steep terrain to permit the safe and efficient operation of the transmission line.<sup>37</sup> In those limited instances where the width of the right-of-way must be expanded to accommodate unusually steep terrain and very long spans, the total width of the right-of-way could need to be expanded to as much as 400 feet (200 feet on each side of the centerline).<sup>38</sup>

To ensure the ability to address potential issues that may emerge in connection with ground surveys, final engineering, and right-of-way negotiations, Kentucky Power requests the authority to move the centerline and right-of-way and to expand the right-of-way within the Filing Corridor.<sup>39</sup> The Filing Corridor is defined as:

(a) 500 feet to the northeast for that portion of the centerline that begins at the tap point on the existing Beaver Creek-Cedar Creek 138 kV circuit of the Sprigg-Beaver Creek 138 kV Transmission Line and that parallels the route of the Big Sandy-Broadford 765 kV Transmission Line (approximately 1.3 miles); and

(b) Generally, 500 feet in either direction from the end of the route paralleling the Big Sandy-Broadford 765 kV Transmission Line to the proposed Kewanee 138 kV Substation (approximately 3.7 miles).

(c) To mitigate known mining risks and allow for added flexibility in rugged topography, the Filing Corridor was expanded an additional 500 feet between proposed structures 6 and 8 (near the crossing of Left Fork Island Creek Road). For this 2,000-foot section of centerline, the Filing Corridor is

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<sup>36</sup> Application at 14.

<sup>37</sup> *Id.*

<sup>38</sup> *Id.*

<sup>39</sup> *Id.*

1,500 feet wide (about 500 feet to the south of the centerline and 1,000 feet to the north of the centerline).<sup>40</sup>

Kentucky Power's request to move the centerline and right-of-way, or to expand the right-of-way within the Filing Corridor, is made expressly contingent upon Kentucky Power having notified the property owner onto whose property the line would be moved of this proceeding in accordance with 807 KAR 5:120, Section 2(3).<sup>41</sup> The authority Kentucky Power seeks in this proceeding is similar, but not identical to, that granted to Kentucky Power by the Commission in Case No. 2011-00295.<sup>42</sup> Kentucky Power has verified that it mailed notices as required by 807 KAR 5:120, Section 2(3), to all property owners whose land is included within the right-of-way and the Filing Corridor on August 31, 2020.<sup>43</sup>

Kentucky Power explains that there were originally two factors increasing the probability that the centerline or right-of-way may have to be relocated into the Filing Corridor. The first is the rugged nature of the terrain the line crosses, particularly once it diverges from its route parallel to the existing Big Sandy-Broadford 765 kV Transmission Line.<sup>44</sup> The rugged terrain increases the probability that some portion of the line may

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<sup>40</sup> Application at 14–15.

<sup>41</sup> Application at 15.

<sup>42</sup> Application at 15. In Case No. 2011-00295, *Application of Kentucky Power Company for a Certificate of Public Convenience and Necessity to Construct a 138 kV Transmission Line and Associated Facilities in Breathitt, Knott and Perry Counties, Kentucky (Bonnyman-Soft Shell Line)* (Ky. PSC Jan. 26, 2012), the Commission granted Kentucky Power the authority to move the approved centerline of the right-of-way 250 feet in either direction (i.e., within a 500-foot corridor as long as (1) the property owner onto whose property the line was moved was notified of the proceeding in accordance with 807 KAR 5:120, Section 2(3), and (2) the property owner onto whose property the line was moved agreed to the request in writing.

<sup>43</sup> Application at 16, Exhibit 12.

<sup>44</sup> West Testimony at 8.

have to be relocated because of the topography and geotechnical characteristics of the area. The topography also makes it less likely that any required relocation cannot be addressed by slight adjustments in the route.<sup>45</sup> The second factor originally thought to increase the likelihood of the necessity of moving the centerline or right-of-way is Kentucky Power's inability to contact the owner of Parcel 9 on Kentucky Power's Exhibit 11 (list of parcels and associated landowners within the right-of-way and the Filing Corridor) as originally filed with the Commission, and the fact that the address of record in the office of the property valuation administrator is incomplete and inaccurate for the owner of this parcel.<sup>46</sup>

Since Kentucky Power filed its application, it has learned through survey and title work that Parcel 9 will not be affected by the proposed transmission line or the required right-of-way.<sup>47</sup> Kentucky Power is continuing its efforts to contact the only identifiable heir of the deceased owner of Parcel 9 because the property lies within the Filing Corridor.<sup>48</sup> However, the fact that Parcel 9 is not affected by the proposed transmission line or the right-of-way reduces the likelihood of an eminent domain action in association with Parcel 9.

#### Kewanee 138 kV Substation

The proposed Kewanee 138 kV Substation will be constructed south of and adjacent to the Kentucky Enterprise Industrial Park, near Industrial Drive. The site of the

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<sup>45</sup> *Id.*

<sup>46</sup> *Id.* at 9.

<sup>47</sup> November Property Acquisition Update (filed Nov. 4, 2020).

<sup>48</sup> *Id.*

Kewanee 138 kV Substation includes the same site proposed in Case No. 2018-00209. The substation will be located on a 16.4-acre tract purchased by Kentucky Power.<sup>49</sup> However, after preliminary civil engineering design, Kentucky Power determined additional property was needed to accommodate grading the stormwater controls. As a result, Kentucky Power also plans to purchase an additional 1.5 acres of adjacent land owned by the city of Pikeville.<sup>50</sup> The fenced portion of the Kewanee 138 kV Substation will measure approximately 335 feet by 280 feet and will enclose a graveled yard.

Kentucky Power proposes to install and own the following major equipment within the fenced portion of the substation:

- (a) One 138/34.5 kV transformer;
- (b) One 138/12kV transformer (30 MVA);
- (c) Standard left and right hand rural distribution structures with two distribution feeder positions in each bay to provide distribution service to customers at the industrial center along with customers currently served out of Ford's Branch 46 kV Substation; and
- (d) A pre-fabricated drop-in control module building that will house various control panels, telecommunication terminal units, stationary batteries, and charging equipment for DC power.<sup>51</sup>

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<sup>49</sup> Application at 9.

<sup>50</sup> *Id.* at 9.

<sup>51</sup> *Id.* at 10.

In addition to the equipment Kentucky Power plans to install and own at the Kewanee 138 kV Substation, Kentucky Power proposes that AEP Kentucky Transmission Company, Inc. (Kentucky Transco) install and own two 138 kV transmission line positions in a ring bus layout utilizing four 138 kV circuit breakers to sectionalize the transformer and transmission line component along with an additional 138 kV circuit breaker for a 28.8 MVAR capacitor bank.<sup>52</sup>

Kentucky Power states that Kentucky Transco will build, own, and maintain the circuit breakers and the capacitor bank at the proposed Kewanee 138 kV Substation.<sup>53</sup> Although these assets appear to the Commission as necessary to the operation of Kentucky Power's transmission system and necessary for the operation of the project subject to this application, Kentucky Power did not seek a CPCN for these components of the proposed substation. As discussed in more detail below, Kentucky Transco is not a public utility; therefore, it cannot seek a CPCN. However, as an entity not regulated by the Commission, and proposing to install, own, and maintain these lines and appurtenances related to an electric transmission line capable of operating at or above 69 kV, for which no CPCN is required, Kentucky Transco is proposing to construct a nonregulated electric transmission line within the meaning of KRS 278.700(5), and thus appears to be subject to the requirements of KRS 278.714. These requirements are discussed below.

#### Retirement of the Fords Branch 46 kV Substation

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<sup>52</sup> *Id.* at 10, footnote 12, West Testimony at 4.

<sup>53</sup> West Testimony at 4–5.

Kentucky Power also proposes to retire the existing Fords Branch 46 kV Substation (Fords Branch Substation) in conjunction with the construction of the proposed Kewanee 138 kV Substation. Kentucky Power states that the Fords Branch Substation is being retired to address baseline thermal and voltage violations on the Pikeville 46 kV system. Kentucky Power maintains that by removing load from the 46-kV network and moving it to the 138 kV system at Kewanee 138 kV Substation, the proposed project will address the identified Baseline criteria violations by reducing the amount of load served directly from the 46 kV network.<sup>54</sup> Additionally, Kentucky Power asserts that the retirement of the Fords Branch Substation also allows it to address operational concerns with the aging infrastructure and deteriorating components at the Fords Branch Substation.

Kentucky Power maintains that neither the Baseline thermal and voltage criteria violations, nor the aging infrastructure and deteriorating components at the Fords Branch Substation, can be remedied by replacing or upgrading the existing infrastructure.<sup>55</sup> Once the load is transferred from the Fords Branch Substation to the 138 kV system at Kewanee, the existing Fords Branch Substation will no longer serve any electrical purpose and can be retired. Kentucky Power states the only equipment that will remain following the retirement of the substation will be the 46 kV structure that will allow the existing Elwood-Cedar Creek 46 kV subtransmission line to pass through the former Fords Branch 46 kV Substation site.<sup>56</sup>

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<sup>54</sup> Application at 11–12.

<sup>55</sup> *Id.* at 12.

<sup>56</sup> *Id.*

### Additional Work at the Cedar Creek 138 kV Substation

In addition to the proposals above for which Kentucky Power seeks a CPCN, Kentucky Power states it also plans to replace an existing relay panel pointing toward the Beaver Creek 138 kV Substation at the Cedar Creek 138 kV Substation. This will take place within the existing substation footprint and Kentucky Power maintains this work constitutes an extension in the ordinary course of business and, under 807 KAR 5:001, Section 15(3), does not require a CPCN.<sup>57</sup> The replacement of the relay panel is estimated to cost \$500,000.<sup>58</sup> Kentucky Power asserts the work at Cedar Creek 138 kV Substation, along with the entire proposed project, is located entirely within Kentucky Power's certified territory, and will therefore not compete with any public utilities, corporations, or persons, and will not result in a duplication of facilities.<sup>59</sup> Kentucky Power states that the Kewanee 138 kV Transmission Line Extension, the Kewanee 138 kV Substation and retirement of Fords Branch 46 kV Substation, along with the replacement of the relay panel at the Cedar Creek 138 kV Substation are designated as Baseline projects PJM there are no aspects of the project designated as supplemental.<sup>60</sup>

### Financial Aspects of the Project

Kentucky Power maintains its "share" of the project cost as described in its application is estimated to be \$35.2 million.<sup>61</sup> Of this total, \$19.9 million is for transmission

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<sup>57</sup> *Id.*

<sup>58</sup> Koehler Testimony, Exhibit NCK-3 at 3.

<sup>59</sup> Application at 20.

<sup>60</sup> Koehler Testimony at 12–13.

<sup>61</sup> West Testimony at 12. This estimate does not include the cost of constructing the circuit breakers and capacitor bank for the proposed substation. In its Response to Staff's First Request (filed Oct. 26,



line work including right-of-way acquisition; \$14.1 million for Kentucky Power’s “share” of the Kewanee 138 kV Substation; \$0.7 million for the retirement of the Fords Branch 46 kV Substation; and \$0.5 million for the Cedar Creek 138 kV Substation upgrade.<sup>62</sup> Kentucky Power maintains that this project does not involve sufficient capital outlay to materially affect its existing financial condition.<sup>63</sup> Kentucky Power states that its assets, net of regulatory assets and deferred charges, as of March 31, 2020, totaled \$1,849,615,357, thus the cost of this project (as estimated by Kentucky Power and presented in the application) represents an increase of approximately 1.90 percent in those assets.<sup>64</sup> Kentucky Power also projects the annual operating and maintenance costs associated with the project will be approximately \$20,000.<sup>65</sup>

Kentucky Power anticipates funding the cost of the project through its normal operating cash flow and other internally generated funds.<sup>66</sup> Kentucky Power states that the costs of this Baseline project will be recovered in Kentucky Power’s FERC approved transmission formula rate.<sup>67</sup> Kentucky Power also indicates that it will include, as appropriate, the costs associated with the project in its next general rate case.<sup>68</sup> Kentucky Power is permitted to recover its costs of the proposed project, but it is not permitted to

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2020), Kentucky Power indicates the cost of constructing those components is estimated to be \$3.8 million, bringing the total estimated cost of the project to \$39.0 million.

<sup>62</sup> *Id.*

<sup>63</sup> Application at 13.

<sup>64</sup> West Testimony at 13.

<sup>65</sup> Response to Staff’s First Request (filed Oct. 26, 2020), Item KPSC 1-02.

<sup>66</sup> *Id.*

<sup>67</sup> *Id.*

<sup>68</sup> *Id.*

recover the same costs from its FERC approved transmission rates as well as its rates to end-use customers.

#### Alternatives to the Proposed Project

Kentucky Power states that, although it generally prefers to rebuild or upgrade existing transmission lines when practicable, the service to be furnished by the proposed project could not reasonably be provided by rebuilding an existing transmission line or extending service from an existing substation.<sup>69</sup> Kentucky Power considered two alternatives to the proposed project. The first alternative involved rebuilding approximately 16.3 miles of overloaded 46 kV sections of the Burton-Beaver Creek, Burton-Elwood and Henry Clay-Elwood circuits.<sup>70</sup> This alternative included replacing the overloaded Beaver Creek 138/69/46 kV and Breaks 69/46 kV transformers along with the installation of an additional 14.4 MVAR capacitor bank at the Elwood Substation. Kentucky Power states that although this solution would resolve the identified thermal overloads and voltage violations, it would create voltage coordination and capacitor bank switching issues.<sup>71</sup> Kentucky Power also states that this alternative solution would not permit the retirement of the Fords Branch 46 kV Substation, and therefore would not address the aging and inadequate infrastructure needs and safety concerns at that substation.<sup>72</sup> Kentucky Power maintains that at an estimated cost of \$52 million, this alternative solution was considerably more costly than the proposed project.<sup>73</sup>

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<sup>69</sup> Koehler Testimony at 10.

<sup>70</sup> *Id.*

<sup>71</sup> Koehler Testimony at 10–11.

<sup>72</sup> *Id.* at 11.

<sup>73</sup> *Id.*

The second alternative solution considered by Kentucky Power was an upgrade and expansion of the existing Cedar Creek 138 kV Substation.<sup>74</sup> This solution required installing a redundant 138/46 kV transformer, reconfiguring the existing 138 kV bus into a five breaker ring bus, installing three new 138 kV breakers, and installing two new 46 kV breakers.<sup>75</sup> In addition, a second 14.4 MVAR capacitor bank would need to be installed at Elwood Substation.<sup>76</sup> Kentucky Power maintains this alternative solution would resolve the identified thermal overloads and voltage violations, but it would create voltage coordination and capacitor bank switching issues, and it would not permit the retirement of the Fords Branch 46 kV Substation.<sup>77</sup> Kentucky Power states that this alternative solution has an estimated cost of \$70 million.

Kentucky Power maintains that retiring the Fords Branch Substation as part of this project is desirable because the Fords Branch Substation is landlocked, surrounded by residences, mountains, and a floodplain, and these constraints prevent Kentucky Power from sectionalizing to the station and improving service to customers served out of the substation.<sup>78</sup> In addition, Kentucky Power states that there are supplemental needs identified on the Cedar Creek-Elwood 46 kV circuit that, in order to continue serving the Fords Branch Substation at 46 kV, would require a rebuild of this line at an additional cost of approximately \$55 million.<sup>79</sup> Kentucky Power maintains the proposed project provides

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<sup>74</sup> *Id.*

<sup>75</sup> *Id.*

<sup>76</sup> *Id.*

<sup>77</sup> Koehler Testimony at 11–12.

<sup>78</sup> *Id.*

<sup>79</sup> *Id.*

it with the opportunity to potentially retire the Cedar Creek-Elwood 46 kV circuit in the future and avoid the cost of rebuilding it.<sup>80</sup>

## DISCUSSION

### The CPCN Requirement and the CPCN Standard

The general requirement for a CPCN and the general exceptions to the requirement are found in KRS 278.020(1)(a), which reads, in pertinent part, that:

No person, partnership, public or private corporation, or combination thereof shall commence providing utility service to or for the public or begin the construction of any plant, equipment, property, or facility for furnishing to the public any of the services enumerated in KRS 278.010, except:

1. Retail electric suppliers for service connections to electric-consuming facilities located within its certified territory;
2. Ordinary extensions of existing systems in the usual course of business; until that person has obtained from the Public Service Commission a certificate that public convenience and necessity require the service or construction.

KRS 278.020(2) specifically addresses electric transmission lines and reads:

For the purposes of this section, construction of any electric transmission line of one hundred thirty-eight (138) kilovolts or more and of more than five thousand two hundred eighty (5,280) feet in length shall not be considered an ordinary extension of an existing system in the usual course of business and shall require a certificate of public convenience and necessity. However, ordinary extensions of existing systems in the usual course of business not requiring such a certificate shall include:

- (a) The replacement or upgrading of any existing electric transmission line; or
- (b) The relocation of any existing electric transmission line to accommodate construction or expansion of a roadway or other transportation infrastructure; or

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<sup>80</sup> *Id.*

- (c) An electric transmission line that is constructed solely to serve a single customer and that will pass over no property other than that owned by the customer to be served.

The proposed Kewanee 138 kV Transmission Line Extension clearly requires a CPCN by virtue of the voltage it is designed to carry as well as its proposed length. Such a transmission line cannot be considered an ordinary extension of an existing system in the usual course of business because KRS 278.020(2) prohibits this and expressly requires a CPCN for such a transmission line. By filing its application, Kentucky Power acknowledges this requirement. If Kentucky Power had chosen to replace or upgrade an existing transmission line, a CPCN may not have been required because of the exception in KRS 278.020(2)(a).

The proposed Kewanee 138 kV Substation requires a CPCN because the purpose of its construction is to provide a facility for furnishing transmission or distribution of electricity to or for the public, for compensation, for lights, heat, power, or other uses as expressed in KRS 278.010(3). KRS 278.020(1)(a) requires a CPCN for such a project unless the project falls into one of the applicable exception categories: (1) retail electric suppliers for service connections to electric-consuming facilities located within its certified territory; or (2) ordinary extensions of existing systems in the usual course of business.

The Kewanee 138 kV Substation is obviously not an electric service connection; therefore, that exception is inapplicable. The Kewanee 138 kV Substation is also not an ordinary extension of an existing system in the usual course of business. KRS 278.020(2) addresses transmission lines of 138 kV or more, and expressly states that transmission lines capable of carrying this voltage shall not be considered an ordinary extension of an

existing system in the usual course of business. Any new substation capable of receiving 138 kV is not an ordinary extension of an existing system in the usual course of business. The express exclusion of 138 kV transmission lines from the ordinary extension of an existing system in the usual course of business exception implies that new substations capable of carrying 138 kV are not suitable facilities for an exception to the general statutory CPCN requirement.

This substation will replace a substation capable of receiving much lower voltage, and it will be located at a different location than the substation it is replacing. The proposed substation will supplement the reliability and increase the capacity of the 12 kV/34.5 kV electrical distribution service in the Pikeville distribution system.<sup>81</sup> It is clear the CPCN requirement applies to the proposed Kewanee 138 kV Substation; Kentucky Power's application acknowledges this and Kentucky Power makes no assertions that a CPCN is not required for the proposed substation.

To be granted a CPCN for the Kewanee-Enterprise Park 138 kV Transmission Project Kentucky Power must show a need for the 138-kV transmission line and the 138 kV substation from the standpoint of its service requirements, and show that the proposed construction will not result in the wasteful duplication of facilities.<sup>82</sup>

"Need" requires:

[A] showing of a substantial inadequacy of existing service, involving a consumer market sufficiently large to make it economically feasible for the new system or facility to be constructed or operated.

[T]he inadequacy must be due either to a substantial deficiency of service facilities, beyond what could be supplied

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<sup>81</sup> Application at 19, Exhibit 7 at 12.

<sup>82</sup> *Kentucky Utilities Company v. Public Service Commission*, 252 S.W.2d 885 (Ky. 1952).

by normal improvements in the ordinary course of business; or to indifference, poor management or disregard of the rights of consumers, persisting over such a period of time as to establish an inability or unwillingness to render adequate service.<sup>83</sup>

In addition to need, Kentucky Power must show that the construction of the 138 kV transmission line extension and the 138 kV substation will not result in wasteful duplication. “Wasteful duplication” is defined as “an excess of capacity over need” and “an excessive investment in relation to productivity or efficiency, and unnecessary multiplicity of physical properties.”<sup>84</sup> To demonstrate that a proposed facility does not result in wasteful duplication, the Commission has held that the applicant must demonstrate that a thorough review of all reasonable alternatives has been performed.<sup>85</sup>

Kentucky Power asserts that its need for the Kewanee 138 kV Transmission Line Extension and the Kewanee 138 kV Substation has its nexus in the PJM criteria that the Baseline thermal and voltage criteria violations be resolved.<sup>86</sup> As mentioned above, no part of the proposed project is designated as supplemental. Kentucky Power states that the project will not duplicate any existing facilities in the area and will not result in an excess of capacity over need or excess investment in relation to the productivity and efficiency to be gained.<sup>87</sup>

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<sup>83</sup> *Id.* at 890.

<sup>84</sup> *Id.*

<sup>85</sup> See Case No. 2005-00142, *Joint Application of Louisville Gas and Electric Company and Kentucky Utilities Company for a Certificate of Public Convenience and Necessity for the Construction of Transmission Facilities in Jefferson, Bullitt, Meade, and Hardin Counties, Kentucky* (Ky. PSC Sept. 8, 2005).

<sup>86</sup> West Testimony at 13.

<sup>87</sup> *Id.*

It appears from a review of the record that the Baseline thermal and voltage violations are violations of PJM's actual Baseline planning criteria. The conditions giving rise to the violations cause the load being served by Kentucky Power's 46 kV network in the Pikeville area to exceed the network's capacity under certain system conditions. Kentucky Power has the obligation under KRS 278.030(2) "to furnish adequate, efficient and reasonable service . . . ." The Commission acknowledges that the conditions giving rise to the violations must be remedied in order for Kentucky Power to continue fulfilling its statutory requirement under KRS 278.030(2). The Commission also acknowledges that Kentucky Power has explored and considered all reasonable alternative solutions to remedy these conditions. The Commission finds Kentucky Power has established sufficient evidence to demonstrate that the construction project proposed is needed to provide safe and reliable service and will not result in wasteful duplication of facilities.

Kentucky Power maintains that the replacement of the existing relay panel at the Cedar Creek 138 kV Substation constitutes an extension in the ordinary course of business and under 807 KAR 5:001, Section 15(3), and does not require a CPCN. As 807 KAR 5:001, Section 15(3), provides that:

(3) Extensions in the ordinary course of business. A certificate of public convenience and necessity shall not be required for extensions that do not create wasteful duplication of plant, equipment, property, or facilities, or conflict with the existing certificates or service of other utilities operating in the same area and under the jurisdiction of the commission that are in the general or contiguous area in which the utility renders service, and that do not involve sufficient capital outlay to materially affect the existing financial condition of the utility involved, or will not result in increased charges to its customers.



Kentucky Power maintains that the replacement of the relay panel is not wasteful duplication because it is a replacement of existing equipment that has been determined to need replacing.<sup>88</sup> PJM has designated replacement of the relay panel as a Baseline project and given it ID b3087.3.<sup>89</sup> The replacement of the relay will assist Kentucky Power to remedy conditions on Kentucky Power's system that negatively impact its reliability.

The Commission finds that the replacement of the relay panel is not wasteful duplication. The replacement of the relay also does not conflict with existing certificates or service of other utilities operating in the same area because every element of the project, including this replacement, is located entirely within Kentucky Power's certified territory. The replacement of the relay panel will take place in the footprint of the existing substation and will not require a physical expansion of the facility. With an estimated cost of \$500,000, the replacement does not involve sufficient capital outlay to materially affect the existing financial condition of Kentucky Power, nor will it, standing alone, result in increased charges to Kentucky Power's customers.

Kentucky Transco and Application for Certificate to Construct Nonregulated Electric Transmission Line Requirement

Kentucky Power's application is silent concerning the requirements imposed by KRS 278.714. KRS 278.700(5) defines "nonregulated electric transmission line" as an "electric transmission line and related appurtenances for which no certificate of public convenience and necessity is required; which is not operated as an activity regulated by the Public Service Commission; and which is capable of operating at or above 69,000

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<sup>88</sup> Koehler Testimony at 12–13, Exhibit NCK-3 at 3, Exhibit NCK-4.

<sup>89</sup> Koehler Testimony at 12.

volts.” KRS 278.714(1) in relevant part states, “No person shall commence to construct a nonregulated electric transmission line or a carbon dioxide transmission pipeline without a construction certificate issued by the board.” The “board” mentioned in the statute is the Kentucky State Board on Electric Generation and Transmission Siting,<sup>90</sup> commonly referred to as “the Siting Board.”

In Case No. 2011-00042, the Commission found that Kentucky Transco was not a utility under Kentucky law because it intended to only engage in interstate wholesale transmission of electricity and would have no end-use customers in Kentucky.<sup>91</sup> Since Kentucky Transco is not a utility under Kentucky law, it is not subject to the Commission’s jurisdiction, and it is not required to seek a CPCN for the construction of transmission facilities. However, as discussed above Kentucky Transco is required, under KRS 278.714, to file an application with the Siting Board and receive a certificate to construct a nonregulated electric transmission line, as that term is defined in KRS 278.700(5). Kentucky Power indicates Kentucky Transco intends to construct, own, and maintain the circuit breakers associated with the proposed 138 kV substation (two 138 kV transmission line positions in a ring bus layout) and the capacitor bank serving the proposed substation.<sup>92</sup>

These facilities are a nonregulated electric transmission line because as stated above, a nonregulated electric transmission line as defined in KRS 278.700(5) is an electric transmission line and related appurtenances for which no CPCN is required;

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<sup>90</sup> KRS 278.700(1).

<sup>91</sup> Case No. 2011-00042, *Application of AEP Kentucky Transmission Company, Inc. for A Certificate of Public Convenience and Necessity Pursuant to KRS 278.020 to Provide Wholesale Transmission Service in the Commonwealth* (Ky. PSC June 10, 2013) final Order at 5–8.

<sup>92</sup> Application at 10, West Testimony at 4.

which is not operated as an activity regulated by the Commission; and which is capable of operating at or above 69 kV. The circuit breakers and capacitor bank are related appurtenances to a transmission line capable of operating above 69 kV. Kentucky Transco is not a utility; it cannot therefore operate these facilities as part of a Commission regulated activity nor seek a CPCN for their construction. However, KRS 278.714 requires that Kentucky Transco seek a construction certificate from the Siting Board.

The final Order and the Dissenting Opinion of Vice Chairman James W. Gardner in Case No. 2011-00042 discussed the fact that should Kentucky Transco propose to construct transmission facilities capable of operating at 69 kV or above, those facilities would be subject to review by the Siting Board<sup>93</sup> yet, Kentucky Power's application completely ignores this requirement. There is no indication at all in the record of this proceeding that Kentucky Transco intends to comply with this provision of Kentucky law. The Commission notes that according to Kentucky Power's Supplemental Response to Staff's First Request, there have potentially been a number of occasions since 2015 when Kentucky Transco should have sought a construction certificate under KRS 278.714, but failed to do so.<sup>94</sup> The Commission expects Kentucky Power to construct, own, and maintain this project for the benefit of Kentucky Power's customers. The Commission is concerned though about Kentucky Power's ability to do so. It would appear from the record in this matter that Kentucky Power, on its own volition or at the direction of another,

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<sup>93</sup> Case No. 2011-00042, *Application of AEP Kentucky Transmission Company, Inc. for A Certificate of Public Convenience and Necessity Pursuant to KRS 278.020 to Provide Wholesale Transmission Service in the Commonwealth*, final Order at 8–9, Dissent at 2 (Ky. PSC June 10, 2013).

<sup>94</sup> Kentucky Power's Supplemental Response to Staff's First Request (filed Dec. 4, 2020), Attachment 2 lists a number of projects involving transmission lines and related appurtenances capable of operating at or above 69 kV, including several projects involving Baker Station, Breaks Station, and Cedar Creek Station.

plans to continue systemically transferring ownership of its transmission system in a piecemeal fashion under the auspices of the system's rehabilitation and replacement and under the cover of PJM's transmission planning processes, regardless of whether "projects" are designated as baseline or supplemental.

In Case No. 2002-00475 the Commission expressed its "grave concern" about Kentucky Power's proposal to transfer *functional* control of its transmission assets to PJM, particularly the "prospect of surrendering even a portion of [the Commission's] authority to protect Kentucky Power's customers."<sup>95</sup> Now the Commission is faced not merely with the prospect of ceding functional control of Kentucky Power's transmission system, but instead Kentucky Power acquiescing to the transfer of actual ownership and control of its transmission system to affiliates for which Kentucky Power has no command and the Commission has no authority. Given Kentucky Power's indifference to the cost and risks attendant to transferring portions of its transmission system to affiliates in contravention of the spirit, if not the letter of the law, the Commission is compelled to add certain conditions to its approval of the application at hand.

### FINDINGS

Having reviewed the evidence of record and being otherwise sufficiently advised, the Commission finds that the proposed Kewanee-Enterprise Park 138 kV Transmission Project is necessary, its construction is reasonable and will not result in the wasteful duplication of facilities, and that approval thereof should be granted.

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<sup>95</sup> Case No. 2002-00475, *Application of Kentucky Power Company d/b/a American Electric Power for Approval, to the Extent Necessary, to Transfer Functional Control, of Transmission Facilities Located in Kentucky to PJM Interconnection, L.L.C. Pursuant to KRS 278.218* (Ky. PSC July 17 2003), Order at 19, 21.

The Commission finds that the replacement of the relay panel at the Cedar Creek 138 kV Substation constitutes an extension in the ordinary course of business and does not require a CPCN.

The Commission understands the need, in limited circumstances, to permit a utility the flexibility to address unanticipated construction issues. The Commission therefore finds that Kentucky Power should have the authority to move the centerline and right-of-way and to expand the right-of-way within the Filing Corridor as defined in the application, provided that (1) any property owner onto whose property the centerline or right-of-way is moved was notified of this proceeding in accordance with 807 KAR 5:120, Section 2(3); and (2) that any property owner onto whose property the centerline or right-of-way is moved agrees in writing to the requested move. Kentucky Power should file with the Commission a survey of the final location of the line after all moves are completed and before construction begins.

Any changes greater than the distance identified in the definition of the Filing Corridor contained in the application or involving landowners not identified in Kentucky Power's application will require Kentucky Power to file another application with the Commission. If another agency requires an alteration of the line that does not meet all of the conditions listed above, Kentucky Power must apply for a CPCN for the modified route.

Kentucky Power should file with the Commission an "as-built" survey of the final location of the line.

Kentucky Power should continue to provide the Commission with monthly property acquisition updates until all necessary easements are in place.

Kentucky Power should provide copies of any permits acquired in connection with the project.

Kentucky Power should file with the Commission a report detailing what costs associated with this project will be recovered through PJM allocations and which costs will be recovered through any other rates.

Kentucky Power shall not transfer the ownership of any portion of this project or related appurtenances from Kentucky Power to Kentucky Transco, or any other entity, without prior Commission approval, nor shall Kentucky Transco replace or upgrade any existing electric line and related appurtenances currently owned by Kentucky Power without prior Commission approval.

Kentucky Power's application for a CPCN for the construction of the proposed Kewanee-Enterprise Park 138 kV Transmission Project should be approved.

IT IS THEREFORE ORDERED that:

1. Kentucky Power is granted a CPCN to construct, own, and operate the Kewanee-Enterprise Park 138 kV Transmission Project for the benefit of Kentucky Power's customers.
2. Kentucky Power shall immediately notify the Commission upon knowledge of any material changes to the Kewanee-Enterprise Park 138 kV Transmission Project, including, but not limited to, increase in cost, any significant delays in the construction of the transmission line, or any changes in the route of the transmission line not expressly authorized by this Order.
3. In the event of a change in the transmission line route that places the right-of-way or transmission line outside the Filing Corridor or involves landowners not

identified in Exhibit 11 of Kentucky Power's application, as modified in Kentucky Power's Response to Staff's Second Request, Item 2c, Kentucky Power shall apply for an amendment of the CPCN granted herein.

4. Kentucky Power shall file a survey of the final location of the transmission facilities, including a map with aerial photography, parcel lines and labels, the centerline and right-of-way, and structure locations, along with a table of parcels and easement status demonstrating that Kentucky Power has obtained all of the necessary easements to construct the transmission line, after any modifications are finalized as authorized herein and before construction begins.

5. Kentucky Power shall file "as-built" drawings or maps of the transmission facilities portion of the project within 60 days of completion of the construction authorized by this Order.

6. Kentucky Power's request for authority to move the proposed centerline and right-of-way and to expand the right-of-way within the Filing Corridor as defined in its application<sup>96</sup> is granted, Kentucky Power shall provide evidence to the Commission that the affected property owner, or owners, onto whose property the centerline or right-of-way is moved was notified of this proceeding in accordance with 807 KAR 5:120, Section 2(3). In addition, if Kentucky Power discovers after construction begins that it will need

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<sup>96</sup> Application at 14–15. The Filing Corridor is defined as: (a) 500 feet to the northeast for that portion of the centerline that begins at the tap point on the existing Beaver Creek-Cedar Creek 138 kV circuit of the Sprigg-Beaver Creek 138 kV Transmission Line and that parallels the route of the Big Sandy-Broadford 765-kV Transmission Line (approximately 1.3 miles); and (b) Generally, 500 feet in either direction from the end of the route paralleling the Big Sandy-Broadford 765 kV Transmission Line to the proposed Kewanee 138 kV Substation (approximately 3.7 miles); and (c) To mitigate known mining risks and allow for added flexibility in rugged topography, the Filing Corridor was expanded an additional 500 feet between proposed structures six and eight near the crossing of Left Fork Island Creek Road. For this 2,000-foot section of centerline, the filing corridor is 1,500 feet wide (about 500 feet to the south of the centerline and 1,000 feet to the north of the centerline).

to move the centerline or the right-of-way, or expand the right-of-way within the Filing Corridor, Kentucky Power shall file an updated survey, including maps, aerial photography, parcel lines and labels, the centerline and right-of-way, and structure locations, along with a table of parcels and easement status with the Commission within 30 days of finalizing such a move of the centerline or right-of-way, or expansion of the right-of-way within the Filing Corridor.

7. Kentucky Power shall continue to provide the Commission with monthly property acquisition updates until all necessary easements are in place.

8. Kentucky Power shall furnish documentation of the total costs of this project including the cost of construction and all other capitalized costs, including, but not limited to, engineering, legal, and administrative expenses, within 60 days of the date construction is substantially completed. Construction costs shall be classified into appropriate plant accounts in accordance with the Uniform System of Accounts for electric utilities prescribed by the Commission. The facilities owned by Kentucky Power shall be identified and distinguished from the facilities owned by Kentucky Transco.

9. Kentucky Power shall file with the Commission a report detailing what costs associated with this project will be recovered through PJM allocations and which costs will be recovered through any other rates within 60 days of completion of the construction authorized by this Order.

10. Kentucky Power shall apply for a CPCN for a modified route if another agency requires an alteration of the line that does not meet all of the conditions listed above.



11. Kentucky Power shall file with the Commission any permits acquired in connection with this project within 30 days of issuance of the permit.

12. Any documents filed in the future pursuant to ordering paragraphs 2, 4, 5, 6, 7, 8, 9, 10 or 11 shall reference this case number and shall be retained in the post-case correspondence file.

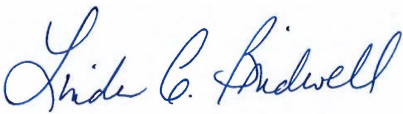
13. Kentucky Power shall not transfer the ownership of any portion of the project for which this CPCN is granted from Kentucky Power to Kentucky Transco without prior Commission approval, nor shall Kentucky Transco replace or upgrade any existing electric line and related appurtenances currently owned by Kentucky Power without prior Commission approval.

14. This case is closed and removed from the Commission's docket.

By the Commission

ENTERED  
DEC 29 2020  
bsb  
KENTUCKY PUBLIC  
SERVICE COMMISSION

ATTEST:



Executive Director

Case No. 2020-00062

\*Brian K. Rupp  
Kentucky Power Company  
1645 Winchester Avenue  
Ashland, KY 41101

\*Christen M Blend  
American Electric Power Service Corporation  
1 Riverside Plaza, 29th Floor  
Post Office Box 16631  
Columbus, OHIO 43216

\*Kentucky Power Company  
1645 Winchester Avenue  
Ashland, KY 41101

\*Katie M Glass  
Stites & Harbison  
421 West Main Street  
P. O. Box 634  
Frankfort, KENTUCKY 40602-0634

\*Honorable Mark R Overstreet  
Attorney at Law  
Stites & Harbison  
421 West Main Street  
P. O. Box 634  
Frankfort, KENTUCKY 40602-0634