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John J. Finnigan, Jr.
Associate General Counsel

VIA OVERNIGHT MAIL

December 17, 2007

Mr. John A. Rogness III
Director of Engineering
Kentucky Public Service Commission
P.O. Box 615
211 Sower Boulevard
Frankfort, KY 40602

RECEIVED

DEC 18 2007

PUBLIC SERVICE
COMMISSION

Re: Administrative Case No. 2006-00494

Dear Mr. Rogness:

I have enclosed the signed copy of the Duke Energy Kentucky, Inc. 2008 Vegetation Management Plan.

Sincerely,

John J. Finnigan, Jr.
Associate General Counsel

JJF/bsc

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

DEC 18 2007

PUBLIC SERVICE
COMMISSION

In the Matter of:

AN INVESTIGATION OF THE RELIABILITY)
MEASURES OF KENTUCKY'S) ADMINISTRATIVE
JURISDICTIONAL ELECTRIC) CASE NO. 2006-00494
DISTRIBUTION UTILITIES AND CERTAIN)
RELIABILITY MAINTENANCE PRACTICES)

DUKE ENERGY KENTUCKY, INC.
2008 VEGETATION MANAGEMENT PLAN

Duke Energy Kentucky, Inc. ("DE-Kentucky") submits its 2008 Vegetation Management Plan as required by the Commission's October 26, 2007 Order in this matter.

Introduction

Duke Energy's Midwest Vegetation Management Group is responsible for controlling vegetation growth for 37,000 miles of transmission and distribution overhead electric lines and gas supply lines in Ohio, Indiana and Kentucky.

Vegetation Management Goals

Duke Energy's goals for its Vegetation Management Operations are to balance the need for reliable utility service with safe and cost-effective vegetation management practices that preserve our local communities' natural surroundings, aesthetics and the environment. Targeted herbicides provide one of the most cost-effective and environmentally friendly means of controlling undesirable vegetation.

Safety

Our goals are to work safely at all times to achieve a zero injury culture and to minimize the safety risk of vegetation and conductor contacts. Serious or fatal shocks can occur when working in trees near power lines. Duke Energy strives to minimize that risk by trimming properly in accordance with industry tree trimming safety standards.

Reliability

Duke Energy's electric service reliability, as measured by SAIFI and SAIDI, has improved in recent years due in part to our more rigorous tree trimming practices. Duke

Energy strives to trim its Kentucky distribution circuits every four-and-one-half years and transmission every six years.

Tree Care Standards

Duke Energy requires its employees and contractors to prune trees in accordance with American National Standards Institute (“ANSI”) and National Arborist Association (“NAA”) standards. The relevant standards are ANSI Z133, Safety in Tree Trimming Operations, and ANSI A300, Safety in Tree Care Operations. These ANSI standards were developed in cooperation with the NAA. Additionally, Duke Energy follows the practices in Field Guide for Qualified Line Clearance Tree Workers by Dr. Alex L. Shigo, former head of the U.S. Forest Service. In rural areas, Duke Energy may authorize its contractors to use mechanized pruning equipment.

Tree Trimming Specifications

69KV and above Transmission Lines

- 15 feet clearance to the side from all conductors.
- 15 feet clearance below the lowest conductor.
- No overhanging/encroaching branches permitted.
- Trim to the previously established widths of our right-of-way and practice established beyond the 15 feet widths.

3 Phase Primary Lines

- 10 feet clearance to the side from all conductors.
- 10 feet clearance below the conductors.
- No overhanging/encroaching branches.

Single Phase and Two Phase Primary lines

- 10 feet clearance to the side from all conductors.
- 10 feet clearance below the conductors.
- Overhang: all live branches above the conductors shall be removed to a minimum height of 15 feet, and at a 45-degree angle. All dead and structurally weak branches overhanging any primary voltage wires shall be removed.
- Underneath the primary: 10 feet clearance from the conductors to the closest limbs beneath the phases.

Secondary Lines

- 5 feet clearance to the side from the secondary line.
- 5 feet clearance above and below the secondary line.

Services Lines

- 1 foot swing clearance from all service lines.

Brush/Wood Removal

- Circuit maintenance - brush is removed, wood cut into movable pieces.
- Customer may request off-cycle maintenance in accordance with the clearance standards above - brush and wood is customer's responsibility.
- Storm Work - no brush or wood removal.

Customer Notification

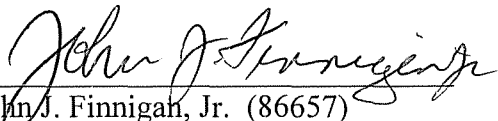
- Duke Energy customers are notified of tree trimming being done on their property by door hanger cards.
- Duke Energy requires its contractors to contact local government officials prior to beginning work in the community.

Right Tree In The Right Place

- Duke Energy will cooperates in tree removal with local government officials as needed.

Determination of Need to Perform Maintenance/Evaluation of Plan Effectiveness

Duke Energy regularly monitors its SAIFI and SAIDI measures. If SAIFI or SAIDI were to significantly decline, Duke Energy would evaluate whether to modify its vegetation management practices, including its right-of-way clearing cycle, in order to improve SAIFI and SAIDI performance. Duke Energy also monitors the performance of individual circuits. In an individual circuit has a significant number of outages, Duke Energy will perform off-cycle tree trimming as needed. Duke Energy also monitors industry tree trimming standards and modifies its tree trimming practices as necessary to meet or exceed industry standards.


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