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October 6, 2016

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HAND DELIVERED

Dr. Talina R. Mathews
Executive Director
Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, KY 40602-0615

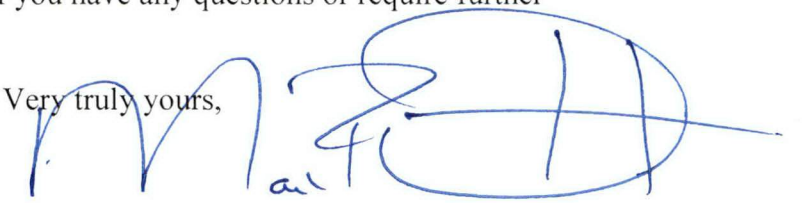
RE: **Case No. 2016-00279**

Dear Dr. Mathews:

Enclosed please find and accept for filing the original and ten copies of Kentucky Power Company's description of remedial measures taken by Kentucky Power. The description is being filed in conformity with the September 28, 2016 informal conference discussions.

Please do not hesitate to contact me if you have any questions or require further information.

Very truly yours,



Mark R. Overstreet

MRO

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

Kentucky Power Company	)	
	)	
	)	Case No. 2016-00279
Alleged Failure To Comply	)	
With KRS 278.042	)	

Submission Of Kentucky Power Company In Response To
September 28, 2016 Informal Conference

Kentucky Power Company has undertaken, and is continuing to implement, the following remedial measures to address safety concerns:

(a) A single employee is now dedicated to inspecting the Company's distribution facilities in Kentucky Power's Ashland District. This permits the employee dedicated to inspections to focus on inspections, and avoids the necessity, and the consequent resulting interruption of inspection work, of the employee being called off of an inspection to address a service issue. Ashland District distribution line inspections have been handled by the dedicated employee since approximately 2010.[1]

In the Pikeville District and the Hazard District the Company has worked to concentrate the distribution facility inspection work among a smaller group of employees. For example, in the Pikeville District, approximately 90% of the 2016 inspections were performed by a single employee.

(b) Kentucky Power re-emphasized the requirement that the line from the Company's pole to the customer's facilities be removed in its entirety whenever the customer meter is removed and drop is no longer in use.[2] The line from the Company's pole is not to be rolled up and placed on a pole.

(c) Kentucky Power employees performing inspection or service work have been instructed to inspect for instances of where a meter has been removed and a service drop remains attached to the customer's facilities. In such instances, the service drop is to be removed as described in (b) above.

[1] The use in the Ashland District of an employee dedicated to performing inspections began before the 2014 contact incident. Nevertheless, they were undertaken after the date (2006) the Company's records indicate the meter was removed from the residence served by the subject service drop.

[2] Where the drop serves more than a single meter (such as the case of two or more apartments in a dwelling) the drop will not be removed when only one of the meters served by the drop is removed.

(d) Training and information sessions have been conducted with all Company employees performing service work or who are inspecting distribution facilities. The training and information meetings addressed the amended procedure described in (b) above. Employees also were reminded of the need to inspect service drops to determine compliance with National Electrical Safety Code clearance requirements. The meetings most recently were conducted on the following dates:

Kentucky Power District	**Date of Meeting**
Ashland	August 26, 2016 (need to inspect for and remove unused service drops); September 16, 2016 (same)
Pikeville	May 25, 2016 (need to inspect for and remove unused service drops); June 15, 2016 (same); August 24, 2016 (same); September 28, 2016 (same); October 3, 2016 (same)
Hazard	August 29, 2016 (need to inspect for and remove unused service drops)

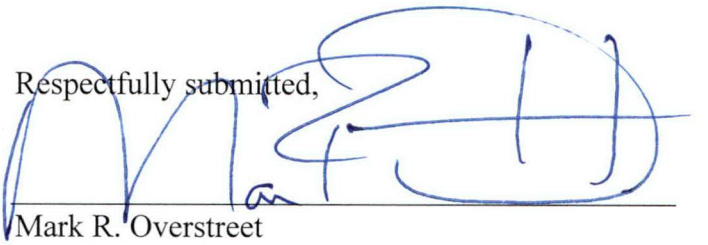
(e) Kentucky Power modified in 2016 its "PSC Inspection Program – Guidelines for Circuit Inspection" document to emphasize the need to perform a 360° visual inspection of transformer poles with service drops and to inspect for and report non-conforming clearances, unused drops, or blanked meter bases. *See* pages 6, 19, and 21. A copy of the modified inspection program guidelines is attached as **EXHIBIT 1**.

(f) Kentucky Power modified in 2016 its "AEP – Kentucky Overhead/Underground Circuit Facilities and Inspection and Maintenance" guidelines to expressly identify the need to inspect for "NESC minimum vertical and horizontal conductor clearance issues" (pages 1 and 3 of 4) and service drop clearances and blanked meter bases (page 4 of 4). A copy of the modified guidelines is attached as **EXHIBIT 2**.

(g) Kentucky Power established in 2016 an annual online training program using the Company's KEYS training system. The online program incorporates the two amended documents. Annual completion of the program is required for all Company employees performing inspections. The online training will begin in 2017.

In conformity with KRE 407, this description of certain subsequent remedial measures is not admissible to prove negligence, culpable conduct, defect, or a need for a warning or instruction.

Respectfully submitted,



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COUNSEL FOR KENTUCKY POWER COMPANY

PSC Inspection Program

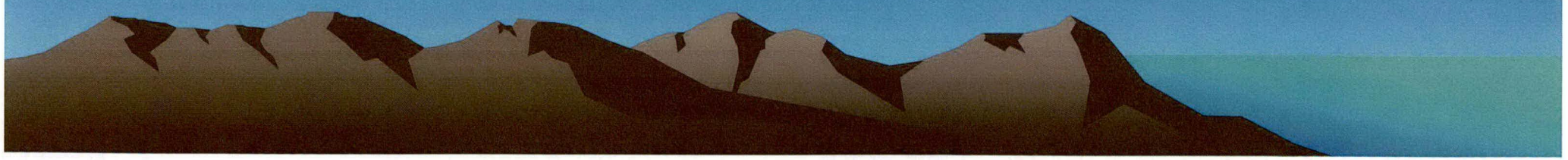
Guidelines for Circuit Inspection

Program Objective

The objective of this program is to visually inspect all overhead and the external, above ground portions of underground facilities on a 2 year cycle to identify and correct deficiencies necessary for the safety of employees and the public under the conditions specified in the NESC and for system reliability.

Circuit Criteria

A list of Circuits to be inspected are identified on a biannual basis. Circuits are identified based on the circuit miles. Keeping a balance of miles in each 2 yr cycle. Planned Maintenance inspections (PM's) are generated in Storms from the list.



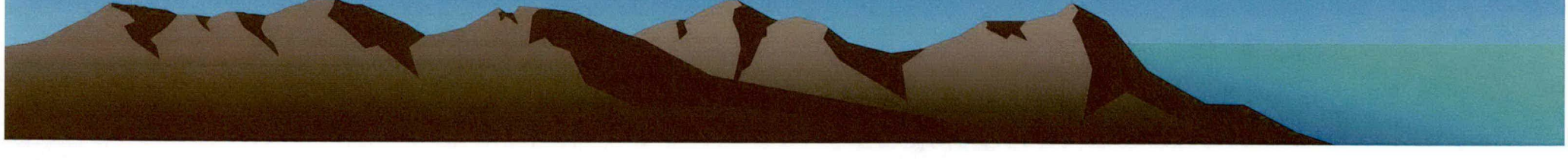
Circuit Criteria

From these, PM work requests are created for each circuit to be inspected in a cycle year. These Work Requests are assigned to the Non-exempt Service Supervisor in Each area for the Circuits to be inspected in the cycle year.

What we are looking For

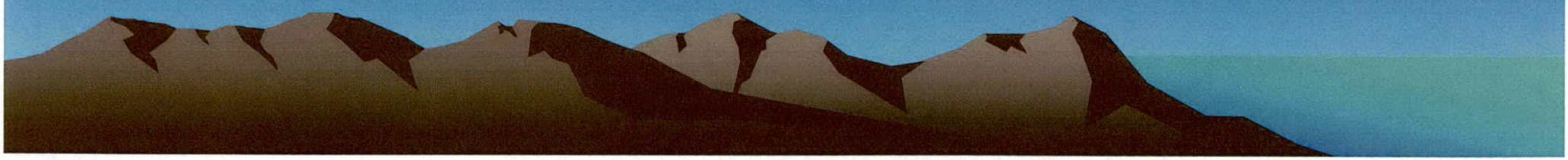
Overhead :

Driving and or foot patrol inspections are conducted as appropriate looking for obvious defects such as loose down guys, broken grounds, cracked insulators and lightning arresters with blown isolators.



What we are looking For

Deteriorated crossarms and crossarms having inadequate strength. Low primary secondary and service conductors not meeting NESC vertical and horizontal requirements.

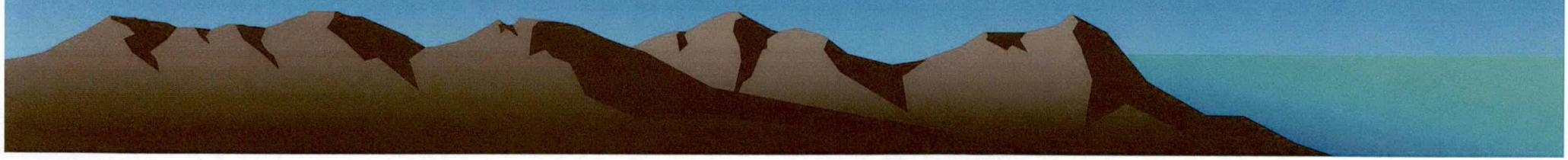


What we are looking For

Transformer poles with services drops shall have a 360 degree visual inspection performed to determine any issues such as Low clearances, unused drops or blanked out Meter Bases.

What we are looking For

Electrical and mechanical defects observed will be identified and the information will be collected so appropriate corrective action can be taken.



What we are looking For

Underground:

An external, visual inspection of the above ground portion of underground systems including pad-mounted equipment (transformers, switches, primary metering enclosures, junction cabinets, etc.), pedestals and the underground associated components of primary riser poles.

What we are looking For

Underground:

The external inspection will be conducted to determine that the equipment is locked and secure and that there are no openings that might allow access to the interior of the equipment via soil erosion, cabinet or conduit deterioration or by other means such as vandalism.

What to Report?

Poles:

- Rotten Poles
- Leaning or Washed out
- Burned - Due to the rash of Cutout Failures this is becoming more of a issue.
- Broken or Split
- Pole Clearances - Poles resting against structures or through the eves or a roof line or close enough to impede climbing. Pole being within 12" of a structure.

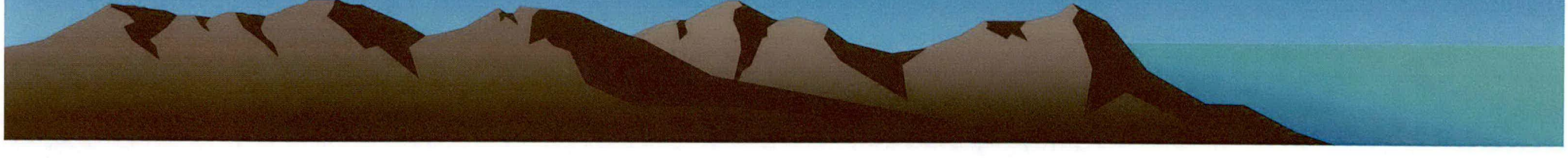
What to Report?

- Transformers hanging directly over Structures or immediately adjacent to multi-story buildings (12" or less).
- UG transformers less than 10 feet without barrier walls.
- Missing Pole Grounds - Ever Increasing issue not only on distribution poles but also at Distribution stations.
- Missing grounds and Ground Grids on GOAB switches.

What to Report?

Guys and Anchors

- Guys and anchors loose
- Damaged guys
- Guys which may need insulators, breakers and markers.



What to Report?

*KYPCo recommends to install insulators if you can take the end of a guy and walk around the pole and come in contact with energized bushings of equipment or conductors. Also refer to DS 406 notes 1,2,3,4.

*Guy markers shall be installed on guys in Pedestrian or Vehicular traffic areas. (DS 403 note 6)

What to Report?

Guy Insulators:

NOTES:

1. FOR CLEARANCES BETWEEN DOWN GUYS AND LINE CONDUCTORS OR CABLES, REFER TO D.S. 711 THRU 714.
2. NESC 215C2 AND 279A2A REQUIRE ALL GUYS ATTACHED TO SUPPORTING STRUCTURES CARRYING SUPPLY CONDUCTORS OF MORE THAN 300 VOLTS TO BE EFFECTIVELY GROUNDED OR ELECTRICALLY INSULATED. FOR THE INSTALLATION OF NON-INSULATED DOWN GUY ASSEMBLIES, REFER TO D.S. 403.
3. MULTIPLE GUY INSULATORS MAY BE USED TO ISOLATE A SEGMENT OF GUY WIRE EXPOSED TO ANOTHER CONDUCTOR OR CABLE. GUY WIRES WITH A GUY INSULATOR IN THE LOWER PORTION OF THE GUY NEED NOT BE GROUNDED. FOR DETAILS TO CONNECT MULTIPLE INSULATORS, REFER TO TABLE II.
4. GUY INSULATORS MAY BE INSTALLED IN THE LOWER PORTION OF A GUY WHERE A LOOSE GUY WIRE COULD INADVERTENTLY MAKE CONTACT WITH A PRIMARY CONDUCTOR. THIS CAN BE A CONSIDERATION WHEN A GUY WIRE IS ATTACHED ABOVE OR PASSES BY A PRIMARY CONDUCTOR. POSITION INSULATOR TO MAINTAIN A MINIMUM OF 8' FROM INSULATOR TO GROUND FOR BROKEN GUY BELOW INSULATOR.

AMERICAN ELECTRIC POWER COMPANY
DISTRIBUTION STANDARDS

FOR GUY INSULATOR APPLICATION GUIDELINES REFER TO D.S. 402

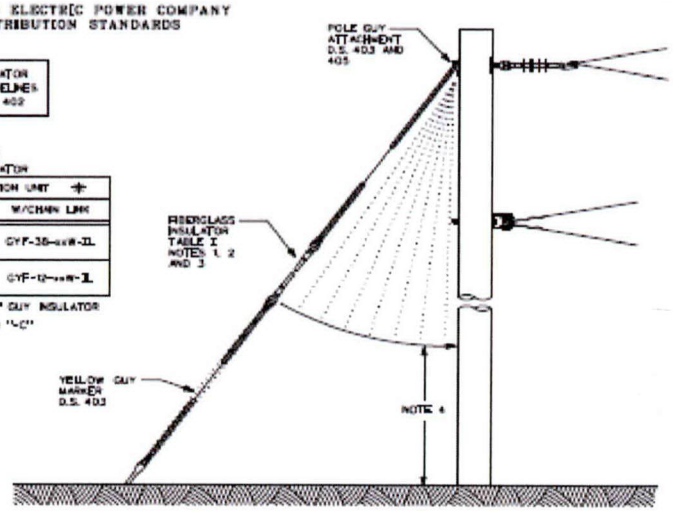


TABLE II
ADDITIONAL INSULATION

GUY WIRE SIZE	CONSTRUCTION UNIT ✱	
	W/GUY GRIPS	W/CHAIN LINK
⅜" ☆	GYF-38-xxW-I	GYF-38-xxW-IL
½"	GYF-12-xxW-I	GYF-12-xxW-IL

✱ "xx" INDICATES 42" OR 72" GUY INSULATOR
☆ FOR CORROSIVE UNITS ADD "-C"

TABLE I

EXTRA HIGH STRENGTH GUY WIRE			42" FIBERGLASS INSULATOR (300 kV BIL)			72" FIBERGLASS INSULATOR (600 kV BIL)		
MATERIAL TYPE	SIZE (INCHES)	ULTIMATE STRENGTH (LBS.)	ULTIMATE STRENGTH (LBS.)	CID NUMBER	CONSTRUCTION UNIT NOTE 5 ✱	ULTIMATE STRENGTH (LBS.)	CID NUMBER	CONSTRUCTION UNIT NOTE 5
GALV. STEEL	⅜	15,400	21,000	710054755	GYF-38-x-42W-GH	21,000	49592800	GYF-38-x-72W-GH
	½	26,900	30,000	710054756	GYF-12-x-42W-GP	30,000	49592900	GYF-12-x-72W-GP
STAINLESS STEEL NOTE 6	⅜	18,200	21,000	710054755	GYF-38-x-42W-GH-C	21,000	49592800	GYF-38-x-72W-GH-C

✱ "x" INDICATES THE SELECTION OF "0" FOR DOWN GUY OR "5" FOR SPAN GUY ASSEMBLY

NOTES:
1. FOR CLEARANCES BETWEEN DOWN GUYS AND LINE CONDUCTORS OR CABLES, REFER TO D.S. 711 THRU 714.
2. NESC 215C2 AND 279A2A REQUIRE ALL GUYS ATTACHED TO SUPPORTING STRUCTURES CARRYING SUPPLY CONDUCTORS OF MORE THAN 300 VOLTS TO BE EFFECTIVELY GROUNDED OR ELECTRICALLY INSULATED. FOR THE INSTALLATION OF NON-INSULATED DOWN GUY ASSEMBLIES, REFER TO D.S. 403.
3. MULTIPLE GUY INSULATORS MAY BE USED TO ISOLATE A SEGMENT OF GUY WIRE EXPOSED TO ANOTHER CONDUCTOR OR CABLE. GUY WIRES WITH A GUY INSULATOR IN THE LOWER PORTION OF THE GUY NEED NOT BE GROUNDED. FOR DETAILS TO CONNECT MULTIPLE INSULATORS, REFER TO TABLE II.
4. GUY INSULATORS MAY BE INSTALLED IN THE LOWER PORTION OF A GUY WHERE A LOOSE GUY WIRE COULD INADVERTENTLY MAKE CONTACT WITH A PRIMARY CONDUCTOR. THIS CAN BE A CONSIDERATION WHEN A GUY WIRE IS ATTACHED ABOVE OR PASSES BY A PRIMARY CONDUCTOR. POSITION INSULATOR TO MAINTAIN A MINIMUM OF 8' FROM INSULATOR TO GROUND FOR BROKEN GUY BELOW INSULATOR.
5. ALL CUNITS LISTED INCLUDE HARDWARE AND INSULATOR TO CONSTRUCT ASSEMBLIES AS SHOWN, EXCEPT GUY WIRE. FOR GUY WIRE DETAILS, REFER TO D.S. 402.
6. IN CORROSIVE ENVIRONMENTS THE GUY STRAIN INSULATOR ROLLER PINS MAY BE SUBSTITUTE WITH STAINLESS STEEL PINS (CID 710054076), WHICH ARE INCLUDED IN CONSTRUCTION UNIT.

INSULATED GUY ASSEMBLIES
INLINE METHOD
4 THRU 35 kV

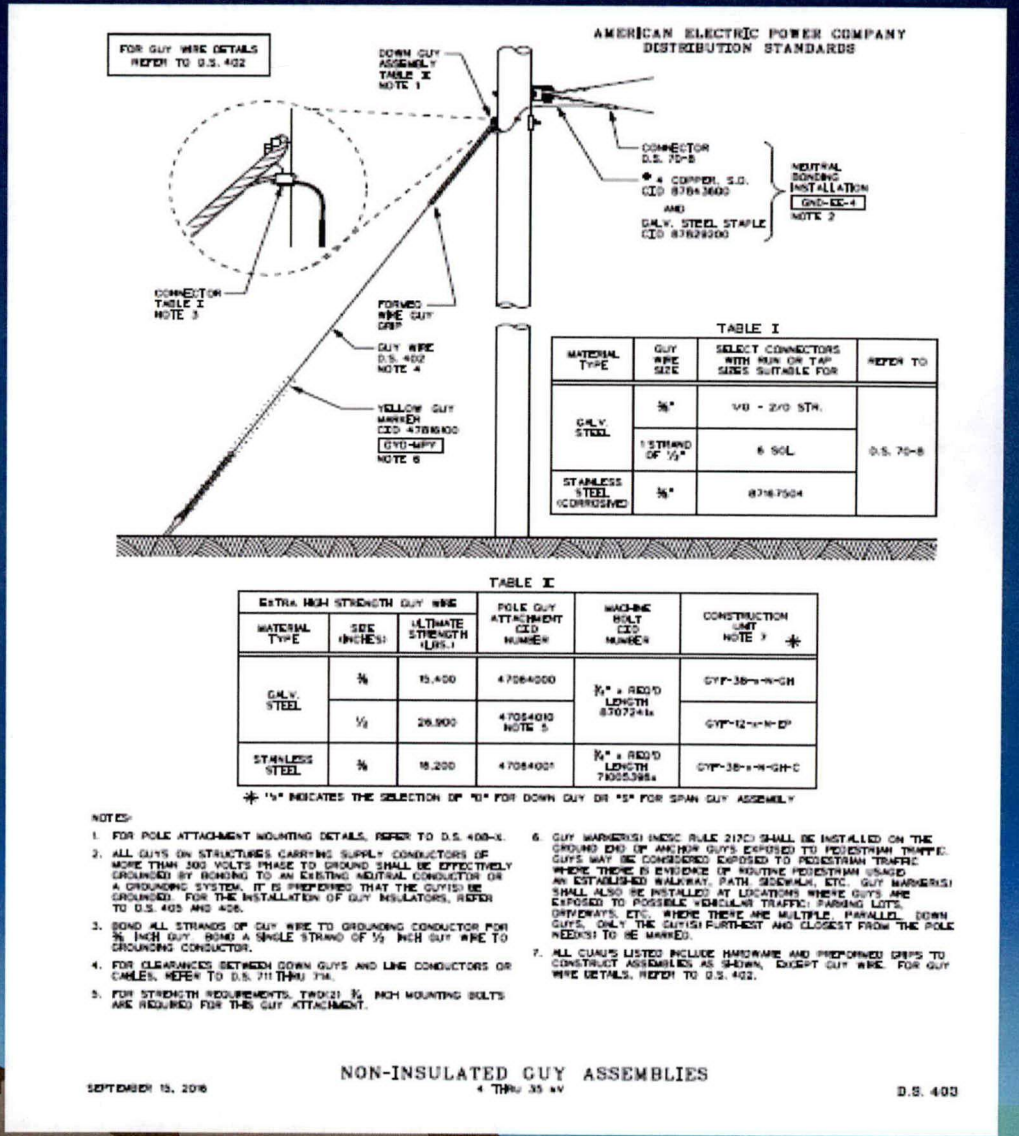
SEPTEMBER 15, 2016

D.S. 408

What to Report?

Guy Markers:

6. GUY MARKER(S) (NESC RULE 217C) SHALL BE INSTALLED ON THE GROUND END OF ANCHOR GUYS EXPOSED TO PEDESTRIAN TRAFFIC. GUYS MAY BE CONSIDERED EXPOSED TO PEDESTRIAN TRAFFIC WHERE THERE IS EVIDENCE OF ROUTINE PEDESTRIAN USAGE: AN ESTABLISHED WALKWAY, PATH, SIDEWALK, ETC. GUY MARKER(S) SHALL ALSO BE INSTALLED AT LOCATIONS WHERE GUYS ARE EXPOSED TO POSSIBLE VEHICULAR TRAFFIC: PARKING LOTS, DRIVEWAYS, ETC. WHERE THERE ARE MULTIPLE, PARALLEL, DOWN GUYS, ONLY THE GUY(S) FURTHEST AND CLOSEST FROM THE POLE NEED(S) TO BE MARKED.



AMERICAN ELECTRIC POWER COMPANY
DISTRIBUTION STANDARDS

TABLE I

MATERIAL TYPE	GUY WIRE SIZE	SELECT CONNECTORS WITH RUN OR TAP SIZES SUITABLE FOR	REFER TO
GALV. STEEL	⅜"	1/0 - 2/0 STR.	D.S. 70-8
	1 STRAND OF ½"	6 SOL	
STAINLESS STEEL (CORROSIVE)	⅜"	87167504	

TABLE II

EXTRA HIGH STRENGTH GUY WIRE			POLE GUY ATTACHMENT CID NUMBER	MACHINE BOLT CID NUMBER	CONSTRUCTION UNIT NOTE 7 *
MATERIAL TYPE	SIZE (INCHES)	ULTIMATE STRENGTH (LBS.)			
GALV. STEEL	⅜	15,400	47084000	⅝" x REQ'D LENGTH 87072416	GYP-38-x-H-GH
	½	26,900	47084010 NOTE 5		GYP-12-x-H-D*
STAINLESS STEEL	⅜	18,200	47084001	⅝" x REQ'D LENGTH 71005385	GYP-38-x-H-GH-C

* "x" INDICATES THE SELECTION OF "D" FOR DOWN GUY OR "S" FOR SPAN GUY ASSEMBLY

NOTES:

1. FOR POLE ATTACHMENT MOUNTING DETAILS, REFER TO D.S. 400-X.
2. ALL GUYS ON STRUCTURES CARRYING SUPPLY CONDUCTORS OF MORE THAN 300 VOLTS PHASE TO GROUND SHALL BE EFFECTIVELY GROUNDED BY BONDING TO AN EXISTING NEUTRAL CONDUCTOR OR A GROUNDING SYSTEM. IT IS PREFERRED THAT THE GUY(S) BE GROUNDED. FOR THE INSTALLATION OF GUY INSULATORS, REFER TO D.S. 405 AND 406.
3. BOND ALL STRANDS OF GUY WIRE TO GROUNDING CONDUCTOR FOR ⅜ INCH GUY. BOND A SINGLE STRAND OF ½ INCH GUY WIRE TO GROUNDING CONDUCTOR.
4. FOR CLEARANCES BETWEEN DOWN GUYS AND LINE CONDUCTORS OR CABLES, REFER TO D.S. 711 THRU 714.
5. FOR STRENGTH REQUIREMENTS, TWO (2) ⅝ INCH MOUNTING BOLTS ARE REQUIRED FOR THIS GUY ATTACHMENT.
6. GUY MARKER(S) (NESC RULE 217C) SHALL BE INSTALLED ON THE GROUND END OF ANCHOR GUYS EXPOSED TO PEDESTRIAN TRAFFIC. GUYS MAY BE CONSIDERED EXPOSED TO PEDESTRIAN TRAFFIC WHERE THERE IS EVIDENCE OF ROUTINE PEDESTRIAN USAGE: AN ESTABLISHED WALKWAY, PATH, SIDEWALK, ETC. GUY MARKER(S) SHALL ALSO BE INSTALLED AT LOCATIONS WHERE GUYS ARE EXPOSED TO POSSIBLE VEHICULAR TRAFFIC: PARKING LOTS, DRIVEWAYS, ETC. WHERE THERE ARE MULTIPLE, PARALLEL, DOWN GUYS, ONLY THE GUY(S) FURTHEST AND CLOSEST FROM THE POLE NEED(S) TO BE MARKED.
7. ALL QUANTS LISTED INCLUDE HARDWARE AND PREFORMED GRIPS TO CONSTRUCT ASSEMBLIES AS SHOWN, EXCEPT GUY WIRE. FOR GUY WIRE DETAILS, REFER TO D.S. 402.

NON-INSULATED GUY ASSEMBLIES
4 THRU 35 kV

SEPTEMBER 15, 2016

D.S. 403

What to Report?

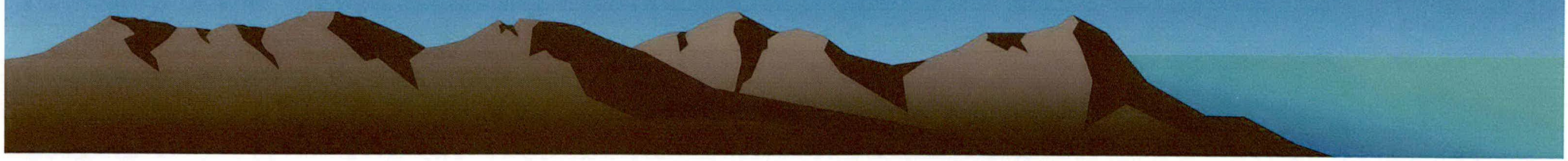
Cross Arms:

- Broken or Split
- Broken Braces
- Sagging arms in long spans
- Pins leaning or pulling out of arms

What to Report?

Hardware Damaged:

- Blown Lighting Arrestors
- Bad Cutouts
- Damaged Insulators –Chipped, Missing Skirts, deformed composite insulators.
- Cracked or Overloaded Cluster Brackets



What to Report?

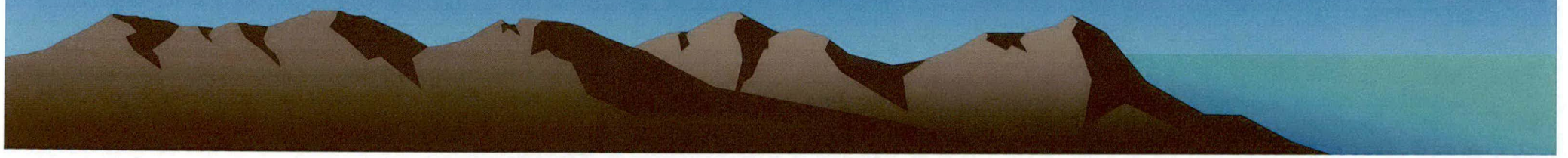
Transformers / Other Equipment:

- In-Active Xfmers
- Blanked meter bases or unused service drops
- Services or Conductors Rolled up on Poles
- By-passed equipment.
- Leaking Xfmers and Equipment

What to Report?

- Damaged - Pad mounts dented/pushed off foundations, Pedestals broken, Conduit Risers Broken/Cracked or Pulled apart.

- Locks missing on equipment either Underground or Overhead, re: GOAB SW. Recloser Controls etc.

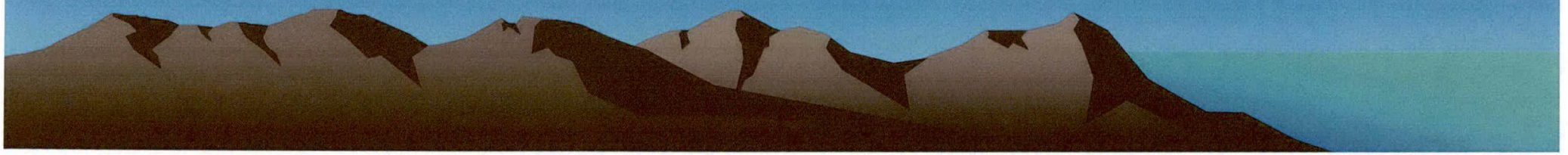


What to Report?

Conductors:

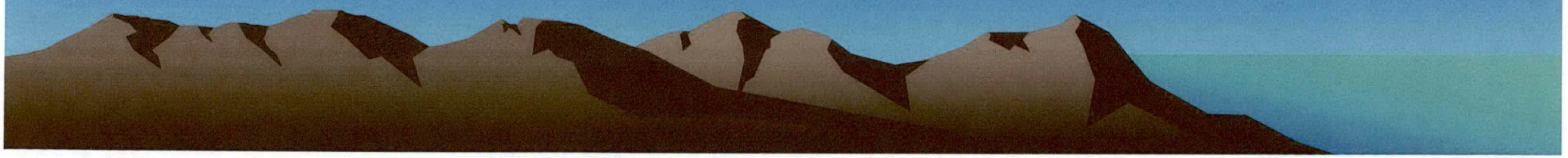
Proper Clearance - Vertical and Horizontal clearances of all conductors including primary conductors, secondary conductors and servicers conductors including both primary and secondary and service drops, risers and jumpers.

A 360 degree visual view will be required on all transformer poles to verify all service drops meet clearance codes.



What to Report?

- While performing inspections reference should be made to the following table for Vertical/Horizontal Clearances of Neutrals, Secondary & Service conductors as defined the NESC code:



What to Report?

Minimum vertical clearances of wires/conductors above ground, roadways and other surfaces				
Type of Surface ↓	Neutral Wire, Span Guys, Messenger Wire, Telecomm Cables	Duplex,Triplex, Quadraplex 0V to 750V L-G	Open Wire Secondary 0V to 750V L-G See Note 2	Open Wire Primary 751V to 22kV L-G See Note 2
Roads, Streets, Areas with Truck Traffic See Note 1	15.5 Ft.	16 Ft.	16.5 Ft.	18.5 Ft.
Driveways, Parking Lots, Alleys	15.5 Ft.	16 Ft.	16.5 Ft.	18.5 Ft.
Cultivated Land, Orchards, Forests, Grazing Land	15.5 Ft.	16 Ft.	16.5 Ft.	18.5 Ft.

This document is not a design guide and is to be used as a field resource only. Refer to the 2007 NESC Book for additional information on the above chart, and for clearances over railroad tracks, water, buildings, swimming pools, etc.

- If measured clearance is less than the value in this table prompt corrective action is required. If a clear and immediate endangerment to human life is found to exist, immediate safe guarding action is necessary until corrective action can be taken.
- If measured clearance is at or within 1 foot higher than the value in this table, additional review is required.
- If broken or out of sag conductors are being replaced or repaired, a one foot buffer should be added to the clearance values in the tables to determine the required clearance.

Notes:
1. Interstate, limited access highways, and certain other roadways may require additional clearance.
2. If current carrying conductors are not loaded to their maximum capability additional clearance is required.

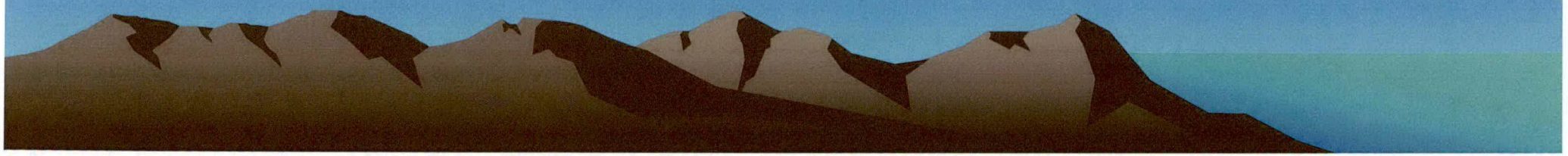
What to Report?

Conductors:

- Clearances for Primary and Secondary and service drop conductors above roofs, Decks and porches needs to be taken into consideration.
- In general where Primary crosses directly over a Roof of a Residence or Mobile Home and the neutral is less than 3'-0" or the Primary conductor is less than 12'-6" feet above the structure, report of the issue shall be made. If the conductor is rubbing against the roof immediate action shall be taken to correct the condition.

What to Report?

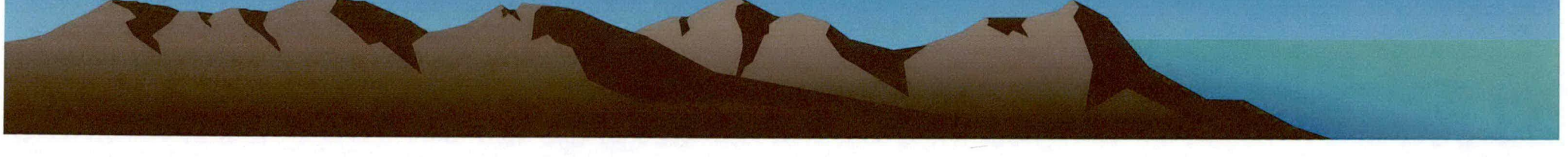
- Where secondary or a service drop crosses directly over a Roof of a Residence or Mobile Home and is less than 3'-0", report of the issue should be made. If the drop is rubbing against the roof immediate action shall be taken to correct the condition.
- Where a service crosses a deck or porch and is less than 8'-0", report of the issue shall be made. If the conductor is rubbing against the deck, handrail or any portion of immediate action shall be taken to correct the condition.



What to Report?

Long Conductor Spans

- Report spans of 3 phase conductor exceeding 500ft on Single pole structures.
- Report any 3 phase Spans which have excessive sagging of the 3 phase conductors.



What to Report?

Antennas, Signs, Billboards, Tanks, Chimneys:

KYPCo recommends that customer install antennas at least $1\frac{1}{2}$ times their height from our lines. The NESC code, Table 234-1, 750v to 22 kV, requires a clearance of 7'-6" from our lines at rest (no blow out) and 4.5 at the Blow out condition.

Antennas found during the inspection that are less than the NESC recommended distance of shall be reported. Report of the approximate distance the antenna is from our facilities will be required.

Priority for Repairs

- Immediately repair those facilities which presently are a risk to safety of the public & our employees. Repair any item that could cause an outage if not immediately attended to.

RE: A rotten pole which is badly leaning if would fall could cause an outage or is hazard to the public or may cause damage to public property.

Priority for Repairs

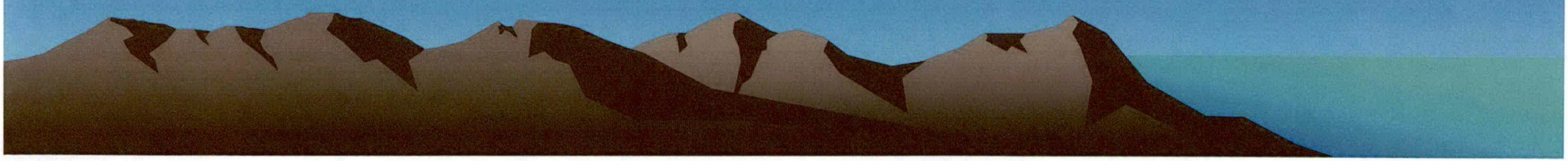
- A unattached guy wire which could come in contact with energized conductors or equipment.
- Services rolled up and attached to the pole or an unused energized service drop without a meter installed.
- NESC clearance violations where low hanging energized conductors could come in contact with vehicle or pedestrian traffic. (this could be moved to a #2 priority if deemed nonurgent).

Priority for Repairs

- Repair those items which could become a safety or outage risk within a reasonable amount of time (3 to 6 months).

  RE: A deteriorated pole which is stabilized by wires and guys and could be expected to remain in service for some time.

- Repair items which would not cause a safety or reliability concern within the next year. RE: Failed arresters, rotten crossarms.



Priority for Repairs

- NESC clearance violations which are not a Hazard to our employees, the public or other joint users of our facilities.

- "If defects should be discovered that pose a safety risk, then timely corrective action by qualified personnel is required."

Examples\Pole in Slip

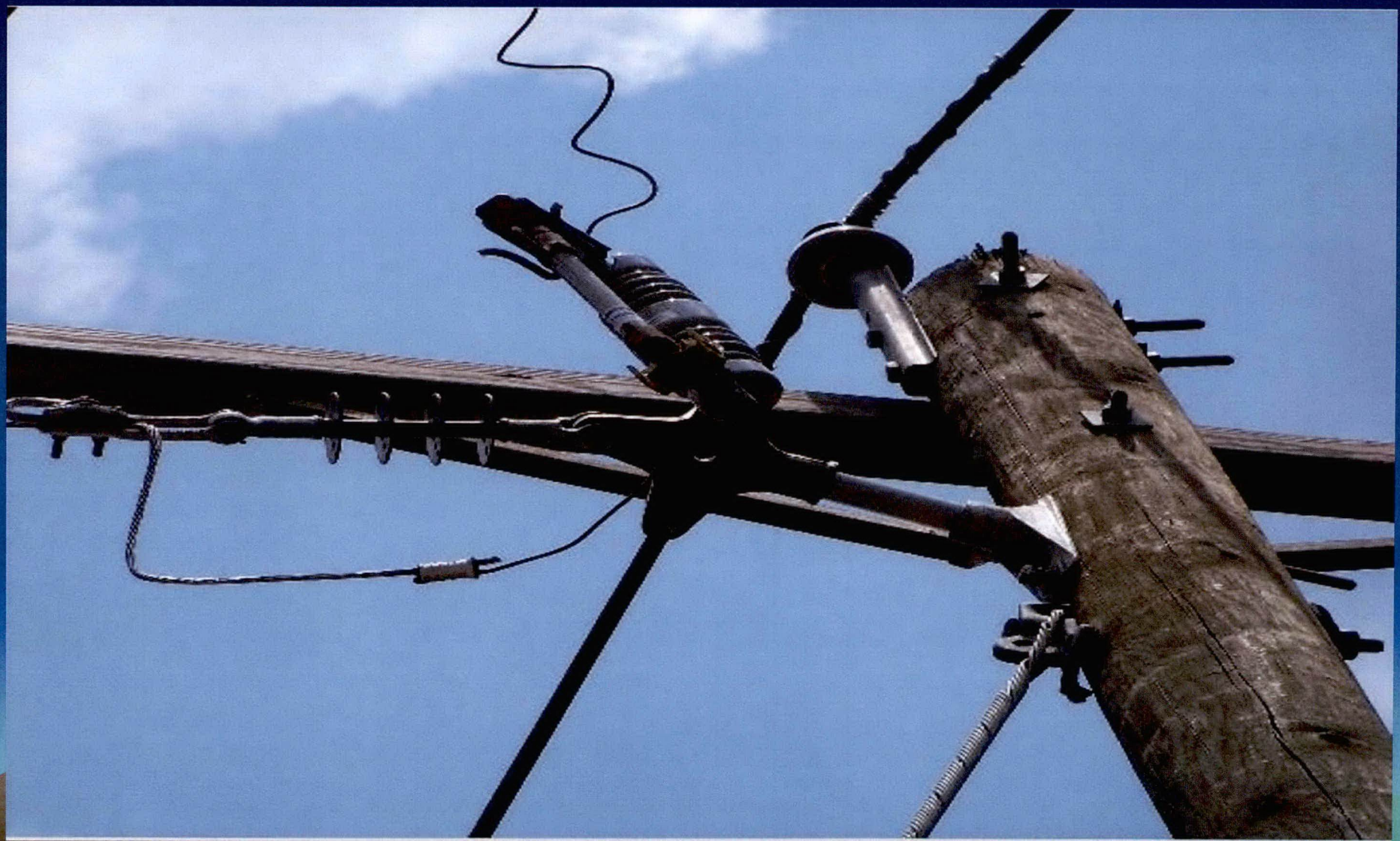
Examples\Broken Leaning

Examples\Pole Fire

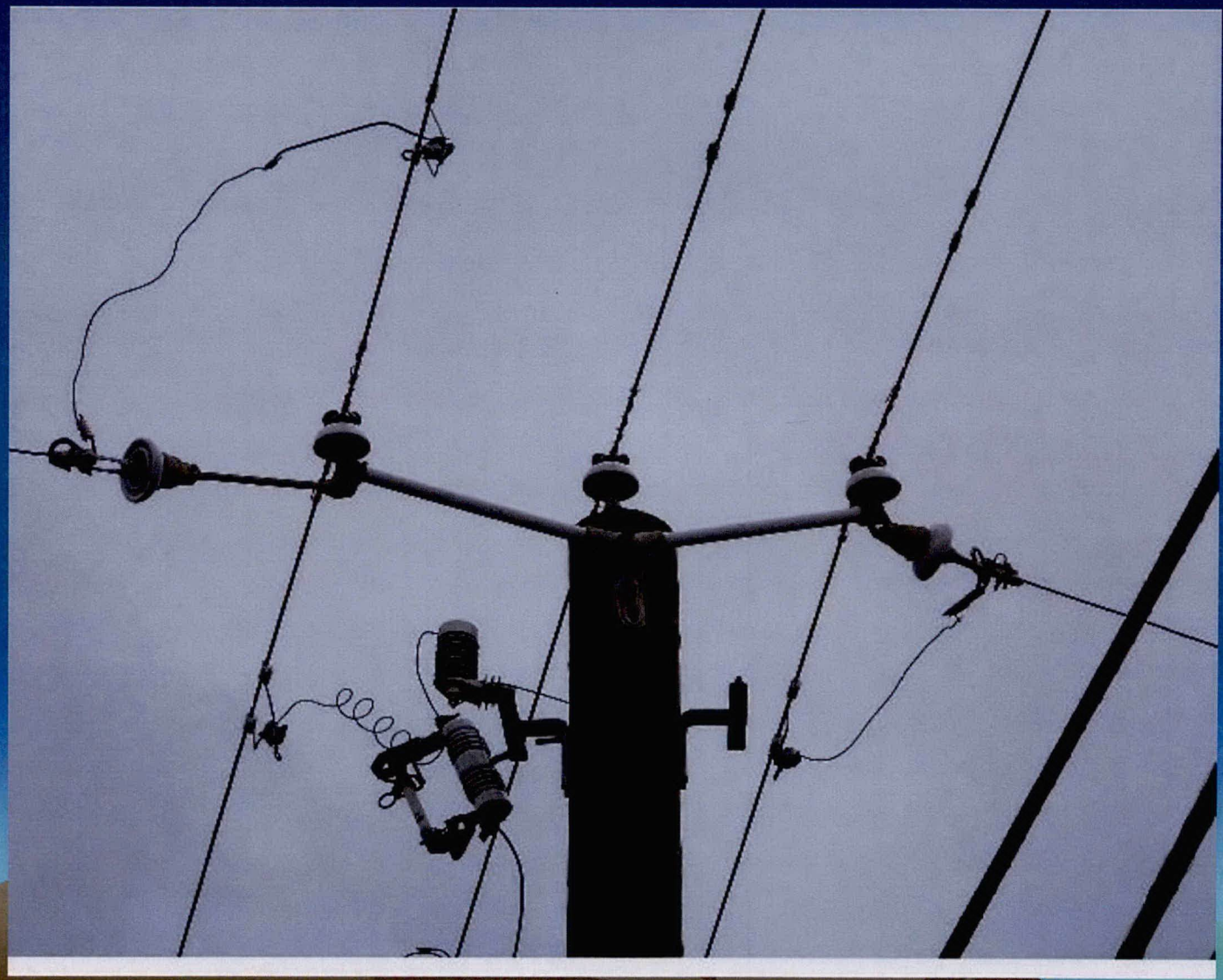
Examples\Drop Over Deck

Examples\Bad XARM

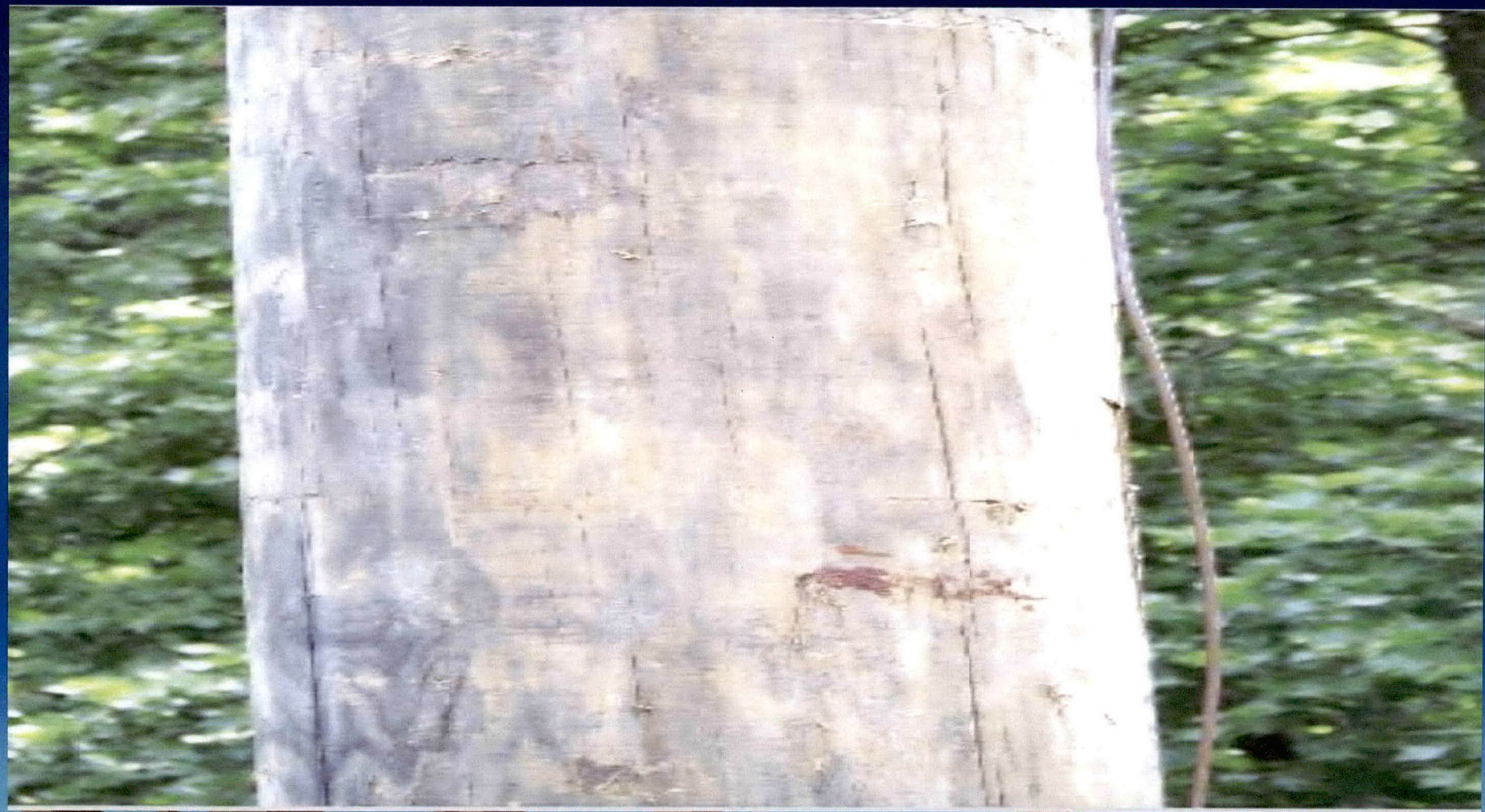
Examples\Non-Standard Const.



Examples\Non-Standard Const.



Examples\Loose Ground



Examples\Low Clearance

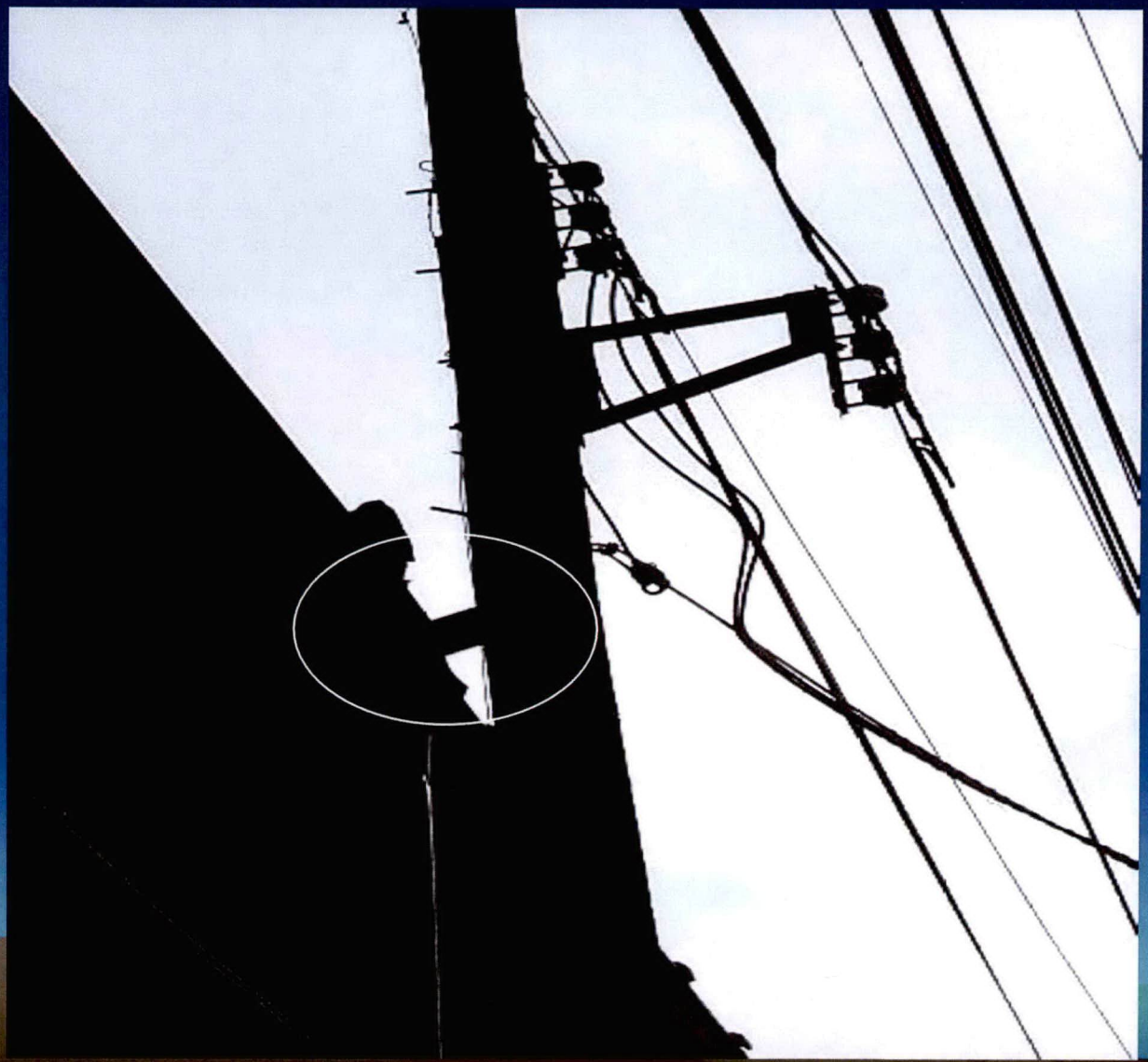
Examples\Un Guyed pole leaning

Examples\Pole Adjacent to Buildings

Examples\Pole Adjacent to Buildings

Examples\Pole Adjacent to Buildings

Examples\Pole Adjacent to Buildings



Examples\Pole Adjacent to Buildings

Examples\Slab

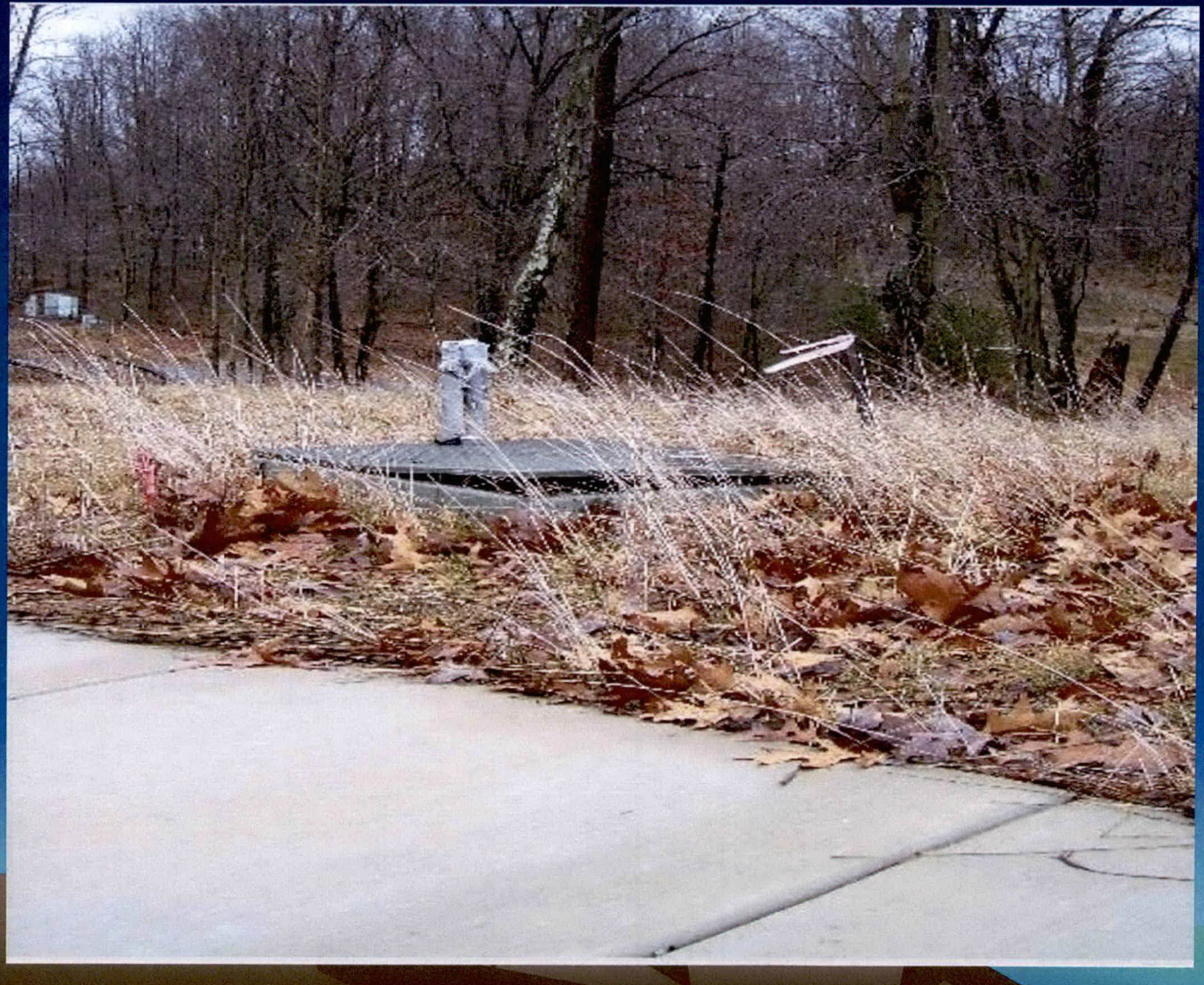
Examples\Vines

Examples\ Pad Mount

Examples\ Pad Mount

Examples\ Pad Mount

Examples\ UG



Examples\Meter Pedestals

AEP — KENTUCKY
OVERHEAD/UNDERGROUND CIRCUIT FACILITIES INSPECTION AND MAINTENANCE

Objective: The objective of this program is to visually inspect all overhead and the external, above ground portions of underground facilities on a 2 year cycle to identify and correct deficiencies necessary for the safety of employees and the public under the conditions specified in the NESC and for system reliability.

Activities Included In Program for Overhead Facilities: The program consists of a visual inspection of poles (including foreign owned poles with company owned attachments), conductors, and pole-mounted equipment (transformer, regulators, reclosers, capacitors, etc.) and related materials (insulators, brackets, terminations, cutouts, surge arresters, etc.) owned by the company. It includes inspection of foreign attachments (CATV, telephone, etc.) to the company's poles for any safety related electrical or mechanical defects. Electrical and mechanical defects observed will be identified and the information will be collected so appropriate corrective action can be taken. Driving or foot patrol inspections are conducted as appropriate looking for obvious defects such as loose down guys, broken grounds, cracked insulators, lightning arresters with blown isolators, deteriorated crossarms having inadequate strength, and NESC minimum vertical and horizontal conductor clearance issues.

Activities Included In Program for Underground Facilities: The program consists of an external, visual inspection of the above ground portion of underground systems including pad-mounted equipment (transformers, switches, primary metering enclosures, junction cabinets, etc.), pedestals and the underground associated components of primary riser poles. The program also includes the visual inspection of company owned outdoor lights and light poles fed from underground systems in URD developments and similar installations. The external inspection will be conducted to determine that the equipment is locked and secure and that there are no open appurtenances that might allow access to the interior of the equipment via soil erosion, cabinet or conduit deterioration or by other means such as vandalism. Oil filled equipment is also checked for any external leaks. Any defects observed that need attention will be identified and the information will be collected so appropriate corrective action can be taken.

Inspection/Collection

AEP personnel and contractors inspect and maintain overhead and underground facilities as a part of the 2 year cycle for the examination of distribution assets to identify defects and areas requiring attention. The Distribution Region and/or District/Areas identify the circuits to be included in the current year program based on inspection and operating history. Detail circuit maps are provided as needed by graphics personnel to be used for the inspection program which also allows for any field corrections to be documented for

follow up. A listing of items to be checked as a part of this inspection is on the attached page 3.

How The Program Fits Into Overall Operations and Maintenance Plans:

This program is designed to proactively identify defects involving company owned overhead and above ground portions of underground facilities so that appropriate action can be taken to reduce the possibility of an accident or correct a condition that would adversely affect system operation. The corrective actions taken are to include necessary maintenance and replacement as a part of this program. If defects should be discovered that pose a safety risk, then timely corrective action by qualified personnel is required. In rare instances the inspector may be required to guard the site of a safety hazard until qualified personnel arrive to correct the hazard. Defects involving foreign owned facilities are to be reported to the owner for correction. However, in some situations action may be required on the company's part to correct a safety hazard involving foreign owned facilities.

Maintenance

Maintenance activities are identified during the inspection process and in some cases are done in conjunction with the inspection. Some of these type activities would include the replacement of property ownership tags or structure location tags, tightening of pole down guys, replacement of lock(s) for underground equipment, etc. Otherwise, the local area office schedules follow up work as appropriate.

Records/Reporting

Circuit inspection results are maintained at the Region/District/Area office. This documentation includes what if any follow up action was required and when the follow up action was completed.

Kentucky PSC Inspections

In the interest of public safety, to limit our liability, and to comply with PSC requirements, a periodic and systematic inspection of all our facilities is necessary.

The following are the general guidelines for what to look for as a part of this inspection:

* Condition of pole:
  - Rotten
  - Leaning or Washed out
  - Burned
  - Broken / split
  - Other

* Condition of crossarm and crossarm braces
  - Broken / split
  - Other

* Pole ground intact
  - Broken / missing ground wire molding
  - Loose connections

* Hardware damaged
  - Lightning arrester
  - Cutout
  - Insulators

* Guys and anchors
  - Loose
  - Damaged
  - Need insulator / breaker / marker

* Transformers / Other Equipment
  - Unused
  - Overloaded
  - Leaking
  - Damaged

* Conductors
  - Proper NESC vertical and horizontal clearance of primary, secondary and service conductors
  - Unused or abandon primary, secondary and service conductors.

    - Services Drop Clearances and Blanked Meter Bases
    - Damaged — broken strands
    - Excessive splices
- Loose tie wire

*Attachments
    - Clearance issues

* Pole tags
    - Damaged / missing

Report immediately any hazardous conditions that could endanger life or property, or would cause an outage.