

## Kentucky Power Company 2017 Distribution Vegetation Management Plan

### Overview

Effective July 1, 2015, and in accordance with the Commission’s June 22, 2015 Order in Case No. 2014-00396, Kentucky Power modified its Distribution Vegetation Management Plan. The modified plan provides for continuation of the Company’s initial right-of-way clearing efforts (“Task 1”) at an annual O&M expense of \$17,237,965. Kentucky Power projects it will have cleared all of the approximately 8,100 miles of its primary distribution right-of-way by March 31, 2018. In conjunction with the initial clearance of the Company’s distribution right-of-way, Kentucky Power on July 1, 2015 began the interim re-clearing work on the post-July 1, 2010 initially-cleared distribution right-of-way (“Task 2”). Task 2, which is to be accomplished at an annual cost of \$10,423,095, is expected to be completed on or before June 30, 2018, and will place Kentucky Power on a five-year clearance cycle (“Task 3”).

Effective August 11, 2016, the Commission in Case No. 2016-00143 granted a deviation from Kentucky Power’s 2016 Vegetation Work Plan. The approved right-of-way expenditure and mileage clearance targets for each district are set forth below in Table 1 and Table 2 respectively:

<b>Table 1: 2016 District Expenditures Prior to Case No. 2016-00143 and Granted 2016 Modified District Expenditures</b>				
<b>District</b>	<b>2016 Total O&amp;M Expenitures Prior to Case No. 2016-00143</b>	<b>2016 Total Modified O&amp;M Expenditures as Granted</b>	<b>Modified per District Dollar Amount</b>	<b>Percentage Modified per District</b>
<b>Ashland</b>	\$8,147,017	\$8,264,806	\$117,789	1.45%
<b>Hazard</b>	\$6,766,505	\$5,268,130	<b>-\$1,498,375</b>	<b>-22.14%</b>
<b>Pikeville</b>	\$12,747,538	\$14,131,662	\$1,384,124	10.86%
<b>Total</b>	<b>\$27,661,060</b>	<b>\$27,665,598</b>	-	-

<b>Table 2: 2016 Modified Plan - Circuit Miles By District (Task 1 &amp; 2)</b>				
<b>District</b>	<b>2016 Task 1 Mileage Original Plan</b>	<b>2016 Task 1 Mileage Modified Plan</b>	<b>2016 Task 2 Mileage Original Plan</b>	<b>2016 Task 2 Mileage Modified Plan</b>
<b>Ashland</b>	344	394	210	210
<b>Hazard</b>	221	221	255	255
<b>Pikeville</b>	421	585	306	306
<b>Total</b>	<b>986</b>	<b>1200</b>	<b>771</b>	<b>771</b>

**2016 Vegetation Management Activities through August 31, 2016**

As of the end of August 2016, the Company completed 897 miles or approximately 74.8% of the total 1200 miles of Task 1 clearance work targeted for completion in 2016. Task 1 right-of-clearing O&M expenditures through the first eight months were \$12,495,335, or 72% of the 2016 annual budget (\$17,237,965) for Task 1 work. The Company projects approximately 1,242 Task 1 miles (or approximately 104% of the 2016 target) will be completed by December 31, 2016.

During this same time period, the Company completed 494 miles or 64.1% of the total 771 miles of Task 2 clearance work targeted for completion in 2016. Task 2 right-of-way clearing O&M expenditures through the first eight months of 2016 were \$6,531,151, or 63% of the 2016 annual budget (\$10,423,095) for Task 2 work. The Company projects that approximately 775 miles of Task 2 work (or approximately 101% of the 2016 goal) will be completed by December 31, 2016.

The 2016 year-to-date actual cleared distribution right-of-way vs. year-end Task 1 and Task 2 goals for each District are shown below in Table 3. Likewise, the 2016 target and year-to-date Task 1 and Task 2 expenditures for each district are set forth below in Table 4.

<b>Table 3: 2016 Task 1 (Initial Clear) and Task 2 (Interim Clear) right-of-way mileage Year-to-Date (Jan-Aug) vs Year-end per District</b>						
<b>District</b>	<b>2016 Targeted Task 1 Miles</b>	<b>2016 Task 1 Mileage (Jan - Aug)</b>	<b>2016 Task 1 Percent Mileage Complete</b>	<b>2016 Targeted Task 2 Miles</b>	<b>2016 Task 2 Mileage (Jan - Aug)</b>	<b>Task 2 - Percent Mileage Complete for 2016</b>
<b>Ashland</b>	394	256	65.0%	210	179	85%
<b>Hazard</b>	221	189	85.5%	255	125	49%
<b>Pikeville</b>	585	452	77.3%	306	190	62%
<b>Total</b>	<b>1200</b>	<b>897</b>	<b>74.8%</b>	<b>771</b>	<b>494</b>	<b>64%</b>

<b>Table 4: 2016 Targeted Modified Expenditures Year-End vs Approximate Year-to-Date per District (Task 1 &amp;2)</b>			
<b>District</b>	<b>2016 Targeted Modified Expenditures Year End (Task 1 &amp;2)</b>	<b>2016 Modified Expenditures (Jan - Aug for Task 1 &amp;2)</b>	<b>2016 Percent of Modified Expenditures (Jan - Aug for Task 1 &amp; 2)</b>
<b>Ashland</b>	\$8,264,806	\$6,748,791	81.7%
<b>Hazard</b>	\$5,268,130	\$3,435,143	65.2%
<b>Pikeville</b>	\$14,131,662	\$8,842,552	62.6%
<b>Total</b>	<b>\$27,664,598</b>	<b>\$19,026,486</b>	<b>68.8%</b>

Kentucky Power expects to meet or exceed on a service territory-basis the 2016 modified Task 1 (Initial Clear) 1,200 miles and Task 2 (Interim Clear) 771 miles targets. Likewise, the Company expects to spend the 2016 modified total expenditures of \$27,664,598 and maintain spending levels within each District to less than 10 percent variation from the modified targets. Finally, Kentucky Power expects to complete by December 31, 2016 100% or more of the 2016 Task 1 and Task 2<sup>1</sup> modified target miles within each district.

**Total Vegetation Management Program Activity (July 1, 2010 to August 30, 2016)**

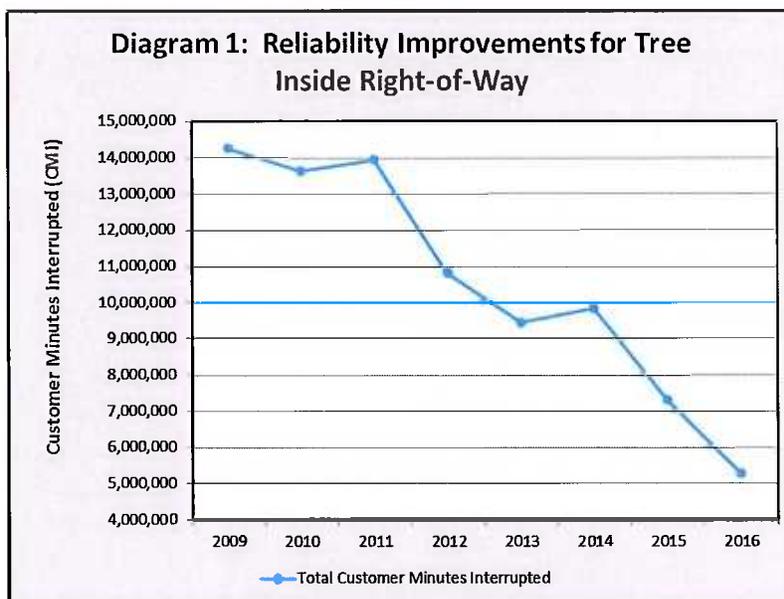
Kentucky Power’s Vegetation Management Program O&M expenditures have totaled \$120,373,362 over the life of the program. Capital expenditures over the same period totaled \$19,888,110.

From July 1, 2010 through August 31, 2016 the Company’s Vegetation Management Program achieved the following:

- Removed 1,555,046 trees
- Trimmed approximately 459,489 trees
- Cleared 13,494 acres of brush
- Sprayed 15,095 acres to control vegetation.
- Reduced Customer Minutes of Interruption (CMI) for Tree Inside right-of-way by more than 61% since mid-2010 (Diagram 1).

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<sup>1</sup> Kentucky Power had completed by August 31, 2016 85.5% of the Hazard District Task 1 modified target miles and 49% of the Hazard District Task 2 modified target miles. Task 1 work was emphasized earlier in the year because of, as described below, the additional reliability benefits accruing from Task 1 work. Hazard District workers have been shifted from Task 1 work to Task 2 work, thereby permitting the Company to reach both Task 1 and Task 2 2016 modified target miles in the Hazard District by December 31, 2016.



- As of August 31, 2016, initially cleared (Task 1) 6,439 of primary distribution line right-of-way, or 79.4 % of the 8,113 current total miles of primary distribution line miles. The Company projects that by December 31, 2016 it will clear 6,784 miles of primary distribution lines, or 83.6% of the 8,113 current total miles of primary distribution line miles (Diagram 2).
- Completed 928 interim re-clearing miles (Task 2) as of August 31, 2016. The Company projects it will complete 1,209 Task 2 miles, or approximately 106% of the 1,142 Task 2 miles that Kentucky Power projected in Case No. 2014-00396 that it would complete by December 31, 2016.

### **Modification In Reporting Of Task 1 Miles Completed**

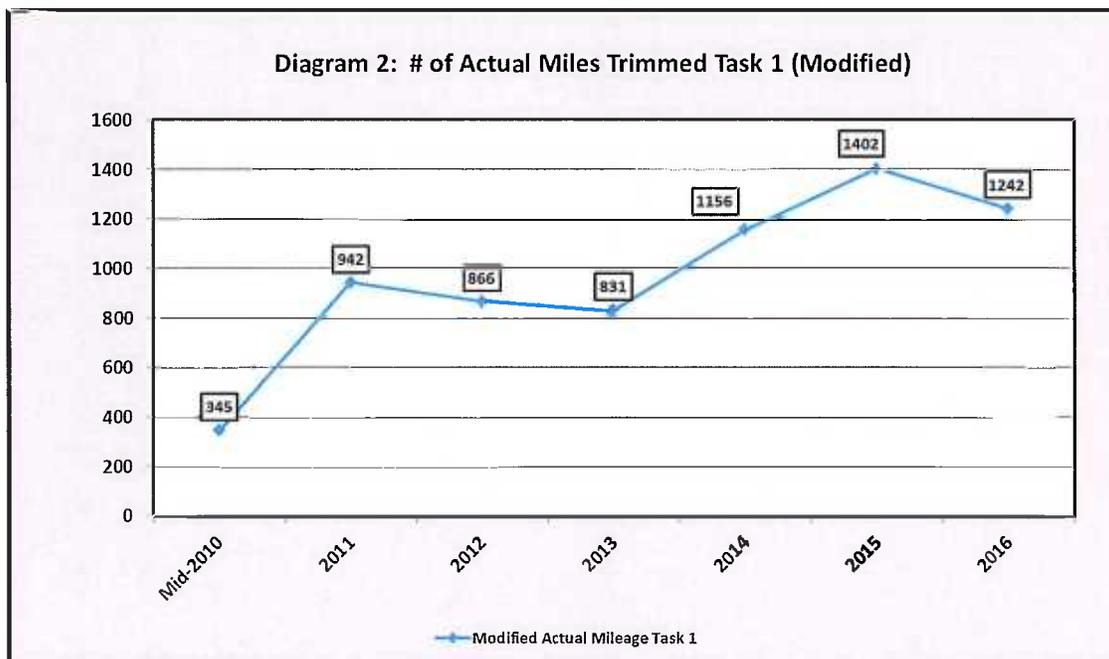
With this 2017 Vegetation Management Plan Kentucky Power proposes to modify the manner in which Task 1 miles completed are reported. The prior method, although accurately reporting the number of Task 1 miles completed, slightly understated the Task 1 miles remaining. Two factors contributed to the understatement.

First, since July 1, 2010 the Company’s total distribution circuit miles increased by approximately 48 miles from 8,065 miles to 8,113.

Second, Task 1 work was performed more than once on approximately 0.7 percent of the Company’s total distribution circuits. For example, at the beginning of the Company’s Vegetation Management Program Kentucky Power performed Task 1 work on limited portions of certain circuits. Typically, the work would be performed in the “re-closer zones” of a circuit

where it would have the greatest impact in improving reliability of the circuit. Subsequently, when Task 1 re-clearing was performed on the entire circuit, the initially cleared portion of the circuit was re-cleared a second time. In addition, prior to the establishment of Task 2 and Task 3, the Company sometimes would perform “Task 1” work a second time on circuit segments previously re-cleared as part of Task 1 because the amount of subsequent growth in the intervening period. Finally, circuits are sometimes reconfigured. In such a case, a circuit segment undergoes Task 1 re-clearing once as part of the original configuration, then again as part of the second subsequently re-cleared circuit to which it is reconfigured. Kentucky Power calculates that Task 1 work was performed more than once on approximately 57 miles of its distribution circuits.

In reporting the total miles re-cleared, the Company previously reported both the mileage associated with the initial Task 1 re-clearing and any second Task 1 re-clearing of the same circuit or circuit segment. The former reporting methodology, while accurately reporting the amount of Task 1 work performed, understated by a total of approximately 105 miles (48 miles [additional distribution circuits added during the program] + 57 miles [circuit miles on which Task 1 work was performed more than once]) the number of Task 1 miles remaining. Diagram 2 below reports by year the Task 1 work performed on each circuit but omits any Task 1 work performed more than once on a circuit or circuit segment.



By district, Kentucky Power projects that over the course of the program it will have completed by December 31, 2016, and using the modified Task 1 reporting methodology, the following percentages of Task 1 activity :

- Ashland 79.5% or 1,974 of the 2,482 miles.
- Hazard 86.4% or 2,321 of the 2,685 miles.
- Pikeville 84.5% or 2,489 of the 2,946 miles.

Consistent with its 2016 Vegetation Management Plan, and notwithstanding the modest understatement in Task 1 miles remaining, Kentucky Power projects it will complete the Task 1 re-clearing work by March 31, 2018 and the Task 2 work by June 30, 2018.

### **2016-2017 Operational Developments**

The Company in 2016 continued to shift local tree clearing crews from the Hazard District to the Pikeville District. This reduced the differential between the districts in the percentage of Task 1 mileage completed. In 2017, the Company will again shift crews from the Hazard District to Pikeville District, and will shift Paintsville crews (Pikeville District) to the Ashland District. The Company continues to evaluate the cost of travel time versus adding crews or bringing in outside resources so as to complete the initial re-clear in the most efficient and effective manner.

In 2016, the Company contracted with Nelson Tree Service, Inc. to perform Task 2 interim re-clearing. Asplundh Tree Expert Company and Wright Tree Service, Inc. also provide vegetation management services. The Company will have an open bid as contracts begin to expire in early 2018.

After approximately 15 months of performing Task 2 work, the cost thus far has been below the original estimate. One of the contributing factors to the savings is that the Company has been able to make greater use of the less expensive 'local' crews to perform Task 2 work than was originally projected.

Since 2013, the need for right-of-way crews to perform customer service and/or project work declined 14 percent. This provided additional time for local crews to continue on Task 1 and Task 2 work.

When the Company determines that the current year's goals for both tasks can be met before the end of the yearly vegetation plan, a greater emphasis is placed on Task 1 work. In general, this has the potential for greater reliability improvements and moves the transition to Task 3 more quickly. Kentucky Power projects it will transition to a five-year cycle (Task 3) in each of the districts on or before June 30, 2018.

## Kentucky Power Company's 2017 Distribution Vegetation Management Plan

Remaining Task 1 clearance work will be scheduled based on past tree-related reliability performance, field inspection of the right-of-way conditions, and the number of customers impacted. Task 2 interim clearance work will be performed on those circuits cleared in late 2011 and 2012. The Company will continue to budget Unscheduled/Reactive funding in the amount of \$367,500 to address reliability issues that develop during the year. This level of funding represents 1.3% of the total Vegetation Management O&M budget.

Kentucky Power's service territory includes some of the most heavily forested areas in the country. The Company's spray program is a vital component of the Enhanced Distribution Vegetation Management Plan. ULV (Ultra Low Volume), high-volume foliar, basal, cut-surface, and aerial application techniques will be utilized depending on the brush conditions. The goal is to treat a combined total of 3,008 acres of brush in 2017 as part of Task 1 and Task 2 work.

In 2017, the Company projects \$1,828,546 in forestry capital expenditures for Task 1 and Task 2. This funding will be utilized to remove trees larger than 18 inches in diameter, widen rights-of-way, and for Tree Growth Regulator ("TGR") application.

The 2017 Kentucky Power Distribution Vegetation Management Plan projected Task 1 (Table 6) and Task 2 (Table 7) expenditures and planned Task 1 (Table 6) and Task 2 (Task 2) miles of work for each of the three districts in its service territory are:

<b>Table 6: 2017 Kentucky Power Distribution Vegetation Management Plan for Task 1 - Initial Clear</b>					
<b>Area</b>	<b>Planned Miles Initial Clear Task 1</b>	<b>Unscheduled Reactive O&amp;M Funding</b>	<b>Scheduled O&amp;M Funding</b>	<b>Total O&amp;M Funding</b>	<b>Forestry Capital Funding</b>
<b>Ashland</b>	452.8	\$32,500	\$6,173,528	\$6,206,028	\$419,448
<b>Hazard</b>	275.4	\$225,000	\$2,782,728	\$3,007,728	\$222,618
<b>Pikeville</b>	423.0	\$110,000	\$6,260,400	\$6,370,400	\$500,832
<b>Totals</b>	<b>1151.2</b>	<b>\$367,500</b>	<b>\$15,216,656</b>	<b>\$15,584,156</b>	<b>\$1,142,898</b>

<b>Table 7: 2017 Kentucky Power Distribution Vegetation Management Plan for Task 2 - Interim Re-clear</b>			
<b>Area</b>	<b>Planned Miles Interim Re-clear Task 2</b>	<b>Scheduled O&amp;M Funding</b>	<b>Forestry Capital Funding</b>
<b>Ashland</b>	272.3	\$3,880,275	\$212,817
<b>Hazard</b>	293.1	\$2,894,363	\$231,549
<b>Pikeville</b>	222.2	\$2,838,250	\$227,060
<b>Totals</b>	<b>787.6</b>	<b>\$9,612,888</b>	<b>\$671,426</b>

The balance of the \$27,661,060 in total 2017 Task 1 and Task 2 spending comprises costs that cannot be allocated on a circuit basis, such as internal labor and fleet cost, and ground spray.

**Exhibit Description**

The following exhibits are attached to and incorporated in this report:

**EXHIBIT 1** – A circuit-level listing of scheduled 2017 Task 1 and Task 2 work. The accompanying projected O&M and associated forestry capital expenditures for each circuit worked as part of the 2017 Distribution Vegetation Management Plan is also provided. Exhibit 1 also includes a Vegetation Management Plan glossary.

**EXHIBIT 2** – The 2017 planned Spray Plan by district.

**EXHIBIT 3** – Recap by district and type expenditure the Task 1 and Task 2 expenditures planned for 2017.

# EXHIBIT 1

2017 Kentucky Power Distribution VM PLAN						Costs that are not allocated to a circuit include; internal labor & fleet costs, unscheduled hotspot maintenance, and ground spray.				
Task 1 Full Circuit Re-Clearing Plan										
DISTRICT	STATION NAME	CIRCUIT NAME	CIRCUIT NUMBER	CIRCUIT LINE MILES	MILES PLANNED	PROJECTED O&M COST per MILE	O&M	FORESTRY CAPITAL ASSOCIATED WITH RE-CLEARING	TOTAL COST	COMMENTS
ASH	Bellefonte	Bellefonte	3000303	56.2	56.2	\$14,510	\$815,462	\$55,405	\$870,867	Full Circuit Re-clear
ASH	Hayward	Lawton	3000802	36.3	36.3	\$13,510	\$490,413	\$33,320	\$523,733	Full Circuit Re-clear
ASH	Hitchens	Denton	3001001	46.2	46.2	\$13,510	\$624,162	\$42,407	\$666,569	Full Circuit Re-clear
ASH	Hitchens	Willard	3001002	152.0	152.0	\$13,510	\$2,053,520	\$139,522	\$2,193,042	Full Circuit Re-clear
ASH	Coalton	Cannonsburg	3003702	23.3	23.3	\$13,510	\$314,783	\$21,387	\$336,170	Full Circuit Re-clear
ASH	Coalton	Trace Creek	3003703	82.5	56.8	\$13,510	\$767,368	\$52,137	\$819,505	Finish Full Circuit Re-clear
ASH	Busseyville	Louisa	3007903	44.0	44.0	\$13,510	\$594,440	\$40,388	\$634,828	Finish Full Circuit Re-clear
ASH	Olive Hill	West Carter Elemen	3103103	38.0	38.0	\$13,510	\$513,380	\$34,881	\$548,261	Full Circuit Re-clear
Ashland District Totals					452.8		\$6,173,528	\$419,448	\$6,592,976	
HAZ	Chavies	Chavies	3301101	69.1	49.1	\$10,100	\$495,910	\$39,673	\$535,583	Finish Full Circuit Re-clear
HAZ	Vico	Jeff	3309302	84.7	45.5	\$10,100	\$459,550	\$36,764	\$496,314	Finish Full Circuit Re-clear
HAZ	Slomp	Leatherwood	3309902	71.3	25.6	\$10,100	\$258,560	\$20,685	\$279,245	Finish Full Circuit Re-clear
HAZ	Haddix	Quicksand	3310501	202.0	100.0	\$10,108	\$1,010,795	\$80,864	\$1,091,659	Finish Full Circuit Re-clear
HAZ	Haddix	Canoe	3310502	125.0	56.2	\$10,107	\$557,913	\$44,633	\$602,546	Finish Full Circuit Re-clear
Hazard District Totals					275.4		\$2,782,728	\$222,618	\$3,005,346	
PKV	Sprigg	Matewan	2150105	8.0	8.0	\$14,800	\$118,400	\$9,472	\$127,872	Full Circuit Re-clear
PKV	Borderland	Chattaroy	3150502	10.0	10.0	\$14,800	\$148,000	\$11,840	\$159,840	Full Circuit Re-clear
PKV	Barrenshe	Freeburn	3200201	13.0	13.0	\$14,800	\$192,400	\$15,392	\$207,792	Full Circuit Re-clear
PKV	Barrenshe	Slate Branch	3200203	5.6	5.6	\$14,800	\$82,880	\$6,630	\$89,510	Full Circuit Re-clear
PKV	Belfry	Belfry	3200301	17.4	17.4	\$14,800	\$257,520	\$20,602	\$278,122	Full Circuit Re-clear
PKV	Belfry	Toler	3200302	29.0	29.0	\$14,800	\$429,200	\$34,336	\$463,536	Full Circuit Re-clear
PKV	Tom Watkins	Distribution	3201002	28.8	28.8	\$14,800	\$426,240	\$34,099	\$460,339	Full Circuit Re-clear
PKV	Betsy Layne	Harold	3400303	48.0	48.0	\$14,800	\$710,400	\$56,832	\$767,232	Full Circuit Re-clear
PKV	Elkhorn City (Breaks)	Grassy	3400902	4.0	4.0	\$14,800	\$59,200	\$4,736	\$63,936	Full Circuit Re-clear
PKV	Henry Clay	Regina	3401702	112.6	63.3	\$14,800	\$936,640	\$74,947	\$1,011,587	Finish Full Circuit Re-clear
PKV	Index	Hospital	3401802	19.0	19.0	\$14,800	\$281,200	\$22,496	\$303,696	Full Circuit Re-clear
PKV	Keyser	Thompson Rd	3402002	16.6	10.0	\$14,800	\$148,000	\$11,840	\$159,840	Full Circuit Re-clear
PKV	Keyser	Stonecoal	3402002	37.3	37.3	\$14,800	\$552,040	\$44,163	\$596,203	Full Circuit Re-clear
PKV	Russell Fork	Little Beaver	3403701	14.0	14.0	\$14,800	\$207,200	\$16,576	\$223,776	Full Circuit Re-clear
PKV	Sidney	Big Creek	3404301	29.1	29.1	\$14,800	\$430,680	\$34,454	\$465,134	Full Circuit Re-clear
PKV	West Paintsville	Paintsville	3409001	3.4	3.4	\$14,800	\$50,320	\$4,026	\$54,346	Full Circuit Re-clear
PKV	West Paintsville	Plaza	3409003	24.0	24.0	\$14,800	\$355,200	\$28,416	\$383,616	Full Circuit Re-clear
PKV	New Camp	ARH	3417602	17.0	17.0	\$14,800	\$251,600	\$20,128	\$271,728	Full Circuit Re-clear
PKV	Mayo Trail	Nippa	3420101	22.5	22.5	\$14,800	\$333,000	\$26,640	\$359,640	Full Circuit Re-clear
PKV	Mayo Trail	Euclid	3420102	19.6	19.6	\$14,800	\$290,080	\$23,206	\$313,286	Full Circuit Re-clear
Pikeville District Totals					423.0		\$6,260,400	\$500,832	\$6,761,232	
<b>FULL-CIRCUIT RECLEARING TOTALS</b>					1151.2		\$15,216,656	\$1,142,898	\$16,359,554	

2017 Kentucky Power Distribution VM PLAN					Costs that are not allocated to a circuit include; internal labor & fleet costs, unscheduled hotspot maintenance, and ground spray.					
Task 2 Interim Re-Clearing Plan										
DISTRICT	STATION NAME	CIRCUIT NAME	CIRCUIT NUMBER	CIRCUIT LINE MILES	MILES PLANNED	PROJECTED O&M COST per MILE	O&M	FORESTRY CAPITAL ASSOCIATED WITH INTERIM RE-CLEAR	TOTAL COST	COMMENTS
ASH	Big Sandy	Fallsburg South	3000201	161.1	57.0	\$14,250	\$812,250	\$44,549	\$856,799	Finish Interim Full Re-clear
ASH	Gray's Branch	Gray's Branch	3000701	68.8	18.1	\$14,250	\$257,925	\$14,146	\$272,071	Finish Interim Full Re-clear
ASH	Hoods Creek	Summitt	3001101	22.7	22.7	\$14,250	\$323,475	\$17,741	\$341,216	Interim Full Re-clear
ASH	Howard Collins	29th Street	3001202	13.4	13.4	\$14,250	\$190,950	\$10,473	\$201,423	Interim Full Re-clear
ASH	47th Street	49th Street	3008001	26.0	26.0	\$14,250	\$370,500	\$20,320	\$390,820	Interim Full Re-clear
ASH	Cannonsburg	Route 3	3008702	100.0	89.0	\$14,250	\$1,268,250	\$69,558	\$1,337,808	Begin Interim Full Re-clear
ASH	Olive Hill	Globe	3103101	120.7	18.1	\$14,250	\$257,925	\$14,146	\$272,071	Finish Interim Full Re-clear
ASH	Wurtland	Route 503	3110903	46.0	28.0	\$14,250	\$399,000	\$21,883	\$420,883	Finish Interim Full Re-clear
Ashland District (Task 2) Totals					272.3		\$3,880,275	\$212,817	\$4,093,092	
HAZ	Hazard	Kenmont	3302704	20.0	20.0	\$9,875	\$197,500	\$15,800	\$213,300	Interim Full Re-clear
HAZ	Beckham	Hindman	3308401	102.0	40.5	\$9,875	\$399,938	\$31,995	\$431,933	Finish Interim Full Re-clear
HAZ	Beckham	Carr Creek	3308402	111.0	55.5	\$9,875	\$548,063	\$43,845	\$591,908	Begin Interim Full Re-clear
HAZ	Bonnyman	Big Creek	3308503	84.0	84.0	\$9,875	\$829,500	\$86,360	\$915,860	Interim Full Re-clear
HAZ	Whitesburg	Whitesburg	3309101	10.0	10.0	\$9,875	\$98,750	\$7,900	\$106,650	Interim Full Re-clear
HAZ	Stinnett	Redbird	3311101	121.0	20.8	\$9,875	\$205,400	\$16,432	\$221,832	Finish Interim Full Re-clear
HAZ	Stinnett	Wendover	3311103	36.3	36.3	\$9,875	\$358,463	\$28,677	\$387,140	Interim Full Re-clear
HAZ	Jenkins	Kona	3312901	26.0	26.0	\$9,875	\$256,750	\$20,540	\$277,290	Interim Full Re-clear
Hazard District (Task 2) Totals					293.1		\$2,894,363	\$231,549	\$3,125,912	
PKV	Hurley	Race Fork	970603	6.0	6.0	\$14,250	\$85,500	\$6,840	\$92,340	Interim Full Re-clear
PKV	Beckham	Carr Creek	3308402	7.0	7.0	\$10,000	\$70,000	\$5,800	\$75,800	Interim Full Re-clear
PKV	Draffin	Belcher	3400701	21.0	15.0	\$14,250	\$213,750	\$17,100	\$230,850	Begin Interim Full Re-clear
PKV	Draffin	Yellowhill	3400702	12.3	7.5	\$14,250	\$106,875	\$8,550	\$115,425	Begin Interim Full Re-clear
PKV	Salisbury	Printer	3408101	20.0	20.0	\$14,250	\$285,000	\$22,800	\$307,800	Interim Full Re-clear
PKV	Salisbury	Black Diamond	3408102	1.5	1.5	\$14,250	\$21,375	\$1,710	\$23,085	Interim Full Re-clear
PKV	Kerwood	Hagerhill	3409303	50.8	30.8	\$10,000	\$308,000	\$24,640	\$332,640	Begin Interim Full Re-clear
PKV	Burdine	Levisa	3409502	39.4	39.4	\$10,000	\$394,000	\$31,520	\$425,520	Interim Full Re-clear
PKV	Fords Branch	Shelby	3411901	42.4	39.0	\$14,250	\$555,750	\$44,460	\$600,210	Begin Interim Full Re-clear
PKV	Fords Branch	Robinson Creek	3411902	77.7	56.0	\$14,250	\$798,000	\$63,840	\$861,840	Begin Interim Full Re-clear
Pikeville District (Task 2) Totals					222.2		\$2,838,250	\$227,080	\$3,065,310	
<b>INTERIM TOTALS</b>					<b>Totals</b>	<b>788</b>	<b>\$9,612,888</b>	<b>\$671,426</b>	<b>\$10,284,313</b>	

# Kentucky Power Forestry Plan Terminology

## **Feeder Breaker Zone**

Synonymous with Station Zone. Segment of line extending from the circuit station breaker to the first operating device. This zone includes unfused taps, but does not include fused taps.

## **Full Circuit Re-clear**

Entire circuit from the station breaker to the end of the circuit.

## **Recloser Zone**

Line segment extending from a specific recloser to the next operating device. This zone includes unfused taps, but does not include fused taps.

## **Partial Re-clear**

A portion of the circuit is planned for re-clearing.

## **BID JOB**

Planned re-clearing work released as an open, lump-sum bid for competing contractors.

## **Finish Full Circuit Re-clear**

Re-clearing scheduled to complete Full Circuit Re-clear that began in the previous year.

## **2<sup>nd</sup> Recloser Zone**

Line segment beginning at the second operating device beyond the station circuit breaker extending to the next operating device. This zone includes unfused taps, but does not include fused taps.

## **Quality-of-Service Work**

Tree trimming or removal work scheduled for a line segment to address reliability issues. This work does not conform to re-clearing specifications (e.g.-Hot-spotting).

## **Cycle Buster Tree**

A tree that has to be revisited before the circuit is due for its next cycle trim.

**EXHIBIT 2**

<b><i>Kentucky Power 2017 Distribution VM SPRAY PLAN for TASKS 1 &amp; 2</i></b>						
<b>DISTRICT</b>	<b>ACRES</b>			<b>O&amp;M BUDGET</b>		
	<b>Task 1</b>	<b>Task 2</b>	<b>Total</b>	<b>Task1</b>	<b>Task 2</b>	<b>Total</b>
<b>Ashland</b>	250	250	500	\$133,000	\$133,000	\$266,000
<b>Hazard</b>	625	553	1178	\$332,500	\$294,196	\$626,696
<b>Pikeville</b>	975	355	1330	\$518,700	\$188,860	\$707,560
<b>Totals</b>	1850	1158	3008	\$984,200	\$616,056	\$1,600,256

### EXHIBIT 3

Kentucky Power Company 2017 Distribution VM O&M Forestry Plan (Task 1 & Task 2)- Summary				
<u>ACTIVITY</u>	<u>Total O&amp;M</u>	<u>Ashland</u>	<u>Hazard</u>	<u>Pikeville</u>
Initial Clear - Task 1	\$15,216,656	\$6,173,528	\$2,782,728	\$6,260,400
Spray - Task 1	\$984,200	\$133,000	\$332,500	\$518,700
INTERNAL - Existing KY Forestry Staff - Task 1	\$669,609	\$223,203	\$223,203	\$223,203
Unscheduled/Reactive Maintenance - Task 1	\$367,500	\$32,500	\$225,000	\$110,000
<b>Task 1 Total O&amp;M</b>	<b>\$17,237,965</b>	<b>\$6,562,231</b>	<b>\$3,563,431</b>	<b>\$7,112,303</b>
Initial Clear - Task 2	\$9,612,888	\$3,880,275	\$2,894,363	\$2,838,250
Spray - Task 2	\$616,056	\$133,000	\$294,196	\$188,860
INTERNAL - Existing KY Forestry Staff - Task 2	\$194,151	\$64,717	\$64,717	\$64,717
<b>Task 2 Total O&amp;M</b>	<b>\$10,423,095</b>	<b>\$4,077,992</b>	<b>\$3,253,276</b>	<b>\$3,091,827</b>
<b>Total O&amp;M Task 1 &amp; Task 2</b>	<b>\$27,661,060</b>	<b>\$10,640,223</b>	<b>\$6,816,707</b>	<b>\$10,204,130</b>
<b>Forestry Capital</b>	<b>\$1,828,546</b>	<b>\$632,265</b>	<b>\$258,557</b>	<b>\$265,292</b>
<b>Total KYPCO Forestry Budget</b>	<b>\$29,489,605</b>			

2017 Kentucky Power VM Plan		
Districts	Initial Clear Miles (Task 1)	Interim Re-Clear Miles (Task2)
Ashland	452.8	272.3
Hazard	275.4	293.1
Pikeville	423.0	222.2
<b>Totals</b>	<b>1151.2</b>	<b>788</b>