

Filed September 30, 2011  
In Conformity With Paragraph 5(c)  
Of the Unanimous Settlement Agreement  
P.S.C. Case No. 2009-00459  
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## Kentucky Power Company 2012 Distribution Vegetation Management Plan

### Overview

On September 30, 2010, Kentucky Power filed its 2011 Distribution Vegetation Management Plan with the Public Service Commission. In the 2011 plan, the Company projected undertaking distribution vegetation management work to reclear or spray 2,295 miles of distribution lines at an estimated O&M cost of \$17.2 million. In the 2012 Plan which is attached as EXHIBIT 1, the Company projects to reclear or spray 2,355 miles of distribution lines at an estimated \$17.2 million.

Projected work and expenditures by district for 2010, 2011, and 2012 are set forth below:

District	Planned Miles of Distribution Line to be Recleared or sprayed			Planned Acres to be Sprayed (Included in Miles to be Recleared)			Total Distribution Vegetation Management O&M Expenditures		
	2010	2011	2012	2010	2011	2012	2010	2011	2012
Hazard	333	1,022	<b>1,150</b>	854	1,062	<b>1,100</b>	2,230,528	6,012,155	<b>5,940,089</b>
Pikeville	360	833	<b>877</b>	630	619	<b>800</b>	2,495,953	7,237,098	<b>7,299,907</b>
Ashland	179	440	<b>328</b>	320	325	<b>540</b>	1,773,519	3,950,747	<b>3,960,004</b>
<b>Totals</b>	872	2,295	<b>2,355</b>	1,804	2,006	<b>2,440</b>	6,500,000	17,200,000	<b>17,200,000</b>

A circuit-by-circuit description of the proposed Distribution Vegetation management work plan for 2012, along with the associated O&M expenditures, is provided as EXHIBIT 2. EXHIBIT 3 sets out by District the projected spraying expenditures during 2012. Finally, EXHIBIT 4 provides on a district-by-district basis the projected total O&M expenditures during 2012.

As set out in more detail on EXHIBITS 2-4 of this Plan, Kentucky Power projects that during 2012:

- Approximately 2,355 miles of distribution line will be recleared or sprayed by manual trimming, mechanical trimming, or herbicide treatment.

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- Herbicide will be applied to 1,210 miles covering approximately 2,440 acres with an O&M budget of over \$1.14 million.
- An estimated \$17.2 million will be spent on O&M for Distribution Vegetation Management, with \$16.4 million expected to be spent on planned maintenance, and \$0.8 million to be spent on unscheduled/reactive maintenance, as required.
- In addition to expenses for current forestry staff, reclearing, and ground and aerial spraying of herbicides, additional activities of the plan include:
  - reactive maintenance
  - contract foresters
  - stump grinding programs
  - tree replacement programs
  - a contractor safety, productivity and quality incentive program

Kentucky Power estimates it will take 7 years to perform a complete reclearing cycle of its distribution system and establish a 4-year cycle for its program. A complete inventory of all trees along distribution Rights-of-Way will not be made at this time. However, the Company will develop and maintain an inventory of “cycle-buster” trees as the program is moved to a 4-year cycle. (A cycle buster tree is one that has to be revisited before the circuit is due for its next cycle trim.)

Kentucky Power will use reasonable and prudent efforts to adhere to and carry out this Work Plan. Unforeseen circumstances may cause some deviations from the plan. These include major storms or the newly discovered need to do vegetation management on a distribution circuit not in the plan, but which is experiencing reliability problems. The company will inform the Commission of any such material deviation from its Plan.

EXHIBIT 1

2012 Kentucky Power Distribution Vegetation Management Plan

The 2012 Vegetation Management Plan will continue to focus on Full-Circuit Reclearing. Full-Circuit Reclearing is an integral part of our efforts to transition from a reactive-based maintenance program to a cycle-based maintenance approach that we began in July of 2010. Reclearing work will be prioritized and scheduled based on past tree-related reliability performance, field inspection of the right-of-way conditions, and the number of customers impacted. Approximately \$780,564 will be budgeted to address reactive reliability issues that develop throughout the year. This Unscheduled/Reactive funding represents about five percent of the total Vegetation Management O&M Budget.

Kentucky Power's service territory covers one of the most heavily forested areas of the country. Our spray program is a vital component of our 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 2,440 acres of brush in 2012.

The 2012 Vegetation Management Plan also includes \$2,550,000 of forestry capital. This funding will be utilized to remove trees larger than 18 inches in diameter, widen rights-of-way, and for TGR (Tree Growth Regulator) application.

The 2012 Kentucky Power Distribution Management Plan projection for the three districts in its service territory is:

2012 KENTUCKY POWER DISTRIBUTION VEGETATION MANAGEMENT PLAN

AREA	PLANNED MILES	PLANNED SPRAY ACRES	UNSCHEDULED REACTIVE O&M FUNDING	SCHEDULED O&M FUNDING	TOTAL O&M FUNDING	FORESTRY CAPITAL FUNDING
HAZARD	1,150	1,100	\$200,000	\$ 5,740,089	\$ 5,940,089	\$ 940,793
PIKEVILLE	877	800	\$222,483	\$ 7,077,424	\$ 7,299,907	\$ 904,030
ASHLAND	328	540	\$358,081	\$ 3,601,923	\$ 3,960,004	\$ 705,177
TOTALS	2,355	2,440	\$780,564	\$16,419,436	\$17,200,000	\$2,550,000

2012 KPSC DISTRIBUTION VEGETATION MANAGEMENT PLAN										
RECLEARING PLAN										
DISTRICT	STATION NAME	CIRCUIT NAME	CIRCUIT NUMBER	LINE MILES	MILES PLANNED	O&M	FORESTRY CAPITAL ASSOCIATED WITH RECLEARING	PROJECTE D O&M COST per MILE	TOTAL COST	COMMENTS
PKV	Burton	Wheelwright	3400602	21.0	21.0	\$315,000	\$63,650	\$15,000	\$368,650	Full Circuit Reclear
PKV	Weeksbury	Distribution	3412901	52.0	52.0	\$936,000	\$169,120	\$18,000	\$1,095,120	Full Circuit Reclear
PKV	Salisbury	Printer	3408101	21.0	21.0	\$315,000	\$53,550	\$15,000	\$368,550	Full Circuit Reclear
PKV	Salisbury	Martin	3408103	56.0	5.5	\$82,500	\$14,025	\$15,000	\$96,525	Partial Circuit Reclear - Bucks Branch
PKV	Salisbury	Black Diamond	3408102	1.5	1.5	\$15,000	\$2,550	\$10,000	\$17,550	Full Circuit Reclear
PKV	Lovely	Lovely	3202201	41.0	41.0	\$738,000	\$125,460	\$18,000	\$863,460	Full Circuit Reclear
PKV	Burdine	Levisa	3409502	44.0	35.0	\$525,000	\$89,250	\$15,000	\$614,250	finish Full Circuit Reclear started in 2011
PKV	Draffin	Belcher	3400701	22.0	22.0	\$330,000	\$56,100	\$15,000	\$386,100	Full Circuit Reclear
PKV	S. Pikeville	Island Creek	3410502	41.0	41.0	\$738,000	\$125,460	\$18,000	\$863,460	Full Circuit Reclear
PKV	Betsy Layne	Mud Creek	3400301	112.0	35.0	\$525,000	\$89,250	\$15,000	\$614,250	begin Full Circuit Reclear (Little Mud Ck & Prater Ck) to be completed in 2013
PKV	Beaver Creek	Ligon	3403201	51.0	21.0	\$315,000	\$53,550	\$15,000	\$368,550	begin Full Circuit Reclear (Tinker Fk & Branhams Ck) to be completed in 2013
PKV	Barrenshe	Vulcan	3200202	49.0	15.0	\$225,000	\$38,250	\$15,000	\$263,250	finish Full Circuit Reclear started in 2011
PKV	Fords Branch	Shelby	3411901	42.0	18.0	\$324,000	\$55,080	\$18,000	\$379,080	finish Full Circuit Reclear started in 2011
PKV	Fords Branch	Robinson Creek	3411902	75.0	40.0	\$720,000	\$122,400	\$18,000	\$842,400	finish Full Circuit Reclear started in 2011
PKV	Kenwood	Hagerhill	3409303	53.0	28.0	\$392,000	\$66,640	\$14,000	\$458,640	finish Full Circuit Reclear started in 2011
HAZ	Collier	Lower Rockhouse	3308602	70.0	35.0	\$350,000	\$63,000	\$10,000	\$413,000	finish Full Circuit Reclear started in 2011
HAZ	Stinnett	Redbird	3311101	116.0	29.0	\$261,000	\$46,980	\$9,000	\$307,980	finish Full Circuit Reclear started in 2011
HAZ	Beckham	Hindman	3308401	83.0	25.0	\$237,500	\$42,750	\$9,500	\$280,250	finish Full Circuit Reclear started in 2011
HAZ	Combs	Airport Gardens	3301402	41.0	8.5	\$76,500	\$13,770	\$9,000	\$90,270	finish Full Circuit Reclear started in 2011
HAZ	Stinnett	Wendover	3311103	36.0	36.0	\$342,000	\$61,560	\$9,500	\$403,560	Full Circuit Reclear
HAZ	Leslie	Hals Fork	3303903	77.0	77.0	\$731,500	\$131,670	\$9,500	\$863,170	Full Circuit Reclear
HAZ	Bonnyman	Big Creek	3308503	86.0	86.0	\$903,000	\$162,540	\$10,500	\$1,065,540	Full Circuit Reclear
HAZ	Bulan	Ary Hiner	3307301	45.0	45.0	\$405,000	\$72,900	\$9,000	\$477,900	Full Circuit Reclear
HAZ	Beckham	Carr Creek	3308402	103.0	50.0	\$625,000	\$112,500	\$12,500	\$737,500	begin Full Circuit Reclear - To be completed in 2013
HAZ	Jenkins	Kona	3312901	30.4	30.4	\$304,000	\$54,720	\$10,000	\$358,720	Full Circuit Reclear
HAZ	Whitesburg	Whitesburg	3309101	10.0	10.0	\$95,000	\$17,100	\$9,500	\$112,100	Full Circuit Reclear
HAZ	Hazard	Kenmont	3302704	30.0	30.0	\$270,000	\$48,600	\$9,000	\$318,600	Full Circuit Reclear
HAZ	Leslie	Wooton	3303902	150.0	28.0	\$374,100	\$84,295	\$12,500	\$458,395	begin Full Circuit Reclear - To be completed in 2013
ASH	47th Street	49th Street	3008001	26	26	\$312,000	\$37,440	\$12,000	\$349,440	Full Circuit Reclear
ASH	47th Street	39th Street	3008002	13	13	\$156,000	\$18,720	\$12,000	\$174,720	Full Circuit Reclear
ASH	Howard Collins	29th Street	3001202	13	13	\$156,000	\$18,720	\$12,000	\$174,720	Full Circuit Reclear
ASH	Wurtland	Route 503	3110903	48	38	\$456,000	\$54,720	\$12,000	\$510,720	Full Circuit Reclear
ASH	Cannonsburg	Route 3	3008702	100	45	\$540,000	\$64,800	\$12,000	\$604,800	begin Full Circuit Reclear - To be completed in 2013
ASH	Olive Hill	Globe	3103101	119	25	\$300,000	\$36,000	\$12,000	\$336,000	finish Full Circuit Reclear started in 2011
ASH	Busseyville	Walbridge	3007906	94	32	\$384,000	\$46,080	\$12,000	\$430,080	begin Full Circuit Reclear - To be completed in 2013
ASH	Big Sandy	Fallsburg South	3000201	158	66	\$792,000	\$95,040	\$12,000	\$887,040	finish Full Circuit Reclear started in 2011
<b>RECLEARING TOTALS</b>			<b>Totals</b>	<b>2,130</b>	<b>1,145</b>	<b>\$14,566,100</b>	<b>\$2,388,140</b>		<b>\$16,954,240</b>	

EXHIBIT 2  
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## **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 Reclear**

**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 Reclear**

**A portion of the circuit is planned for reclearing.**

### **BID JOB**

**Planned reclearing work released as an open, lump-sum bid for competing contractors.**

### **Finish Full Circuit Reclear**

**Reclearing scheduled to complete Full Circuit Reclear 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 reclearing specifications (e.g.-Hotspotting).**

EXHIBIT 3

<b>DISTRIBUTION VEGETATION MANAGEMENT SPRAY PLAN KPCO 2012</b>			
<b>DISTRICT</b>	<b>SPRAY MILES</b>	<b>ACRES</b>	<b>O&amp;M BUDGET</b>
<b>PKV</b>	<b>480</b>	<b>800</b>	<b>\$350,000</b>
<b>HAZ</b>	<b>660</b>	<b>1100</b>	<b>\$527,565</b>
<b>ASH</b>	<b>70</b>	<b>540</b>	<b>\$266,000</b>
<b>Totals</b>	<b>1210</b>	<b>2440</b>	<b>\$1,143,565</b>

Kentucky Power Company				
2012				
Distribution Vegetation Management O&M Forestry Plan-Summary				
<u>ACTIVITY</u>	<u>Total O&amp;M</u>	<u>Pikeville</u>	<u>Hazard</u>	<u>Ashland</u>
RECLEARING	\$14,566,100	\$6,495,500	\$4,974,600	\$3,096,000
GROUND SPRAY	\$1,143,565	\$350,000	\$527,565	\$266,000
AERIAL SPRAY	\$0	\$0	\$0	\$0
AERIAL SAW	\$0	\$0	\$0	\$0
Unscheduled/Reactive Maintenance	\$780,564	\$222,483	\$200,000	\$358,081
CONTRACT FORESTERS	\$270,000	\$90,000	\$90,000	\$90,000
STUMP GRINDING PROGRAM	\$4,000	\$0	\$0	\$4,000
TREE REPLACEMENT PROGRAM	\$10,000	\$0	\$6,000	\$4,000
KPI INCENTIVE PROGRAM-Asplundh Field Personnel	\$221,771	\$73,924	\$73,924	\$73,923
INTERNAL-Existing KY Forestry Staff	\$204,000	\$68,000	\$68,000	\$68,000
<b>TOTAL</b>	<b>\$17,200,000</b>	<b>\$7,299,907</b>	<b>\$5,940,089</b>	<b>\$3,960,004</b>
September 30, 2009 O&M Test Year Level	\$7,200,000			
Settlement O&M Incremental Level	\$10,000,000			
Total Annual O&M Distribution Vegetation	\$17,200,000			
Forestry Capital	\$2,550,000			
Total KPCO Forestry Budget	\$19,750,000			
	Reclearing, Aerial Saw and Spray Miles			
Pikeville	877			
Hazard	1,150			
Ashland	328			
Total	2,355			

EXHIBIT 4