

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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REPORT OF KENTUCKY POWER COMPANY
IN CONFORMITY WITH PARAGRAPH 5(d)
OF THE UNANIMOUS SETTLEMENT AGREEMENT,
APPENDIX A TO THE COMMISSION ORDER IN
CASE NO. 2009-00459
DATED JUNE 28, 2010

April 1, 2014

In accordance with the Public Service Commission's Order dated June 28, 2010, in Case No. 2009-00459, Kentucky Power makes the following report regarding its distribution Vegetation Management (VM) Program for the 2013 calendar year:

System Performance (SAIFI, CAIDI, and SAIDI)

The first set of reliability information includes the Kentucky Power System Average Interruption Frequency Index, the Customer Average Interruption Duration Index, and the System Average Interruption Duration Index for the reporting period, known in the industry as SAIFI, CAIDI, and SAIDI, respectively. Kentucky Power has included these system performance numbers, excluding major events as defined by IEEE standard 1366, for the past five years:

Calendar Year	SAIFI	CAIDI	SAIDI
2009	2.556	194.5	497.1
2010	2.470	169.4	418.4
2011	3.085	195.4	602.8
2012	2.417	189.5	458.0
2013	2.144	178.5	382.7

The above chart illustrates an improving trend in the company's overall reliability indices over the last five years. This improvement in large part can be attributed to the improvements in the Vegetation Management Program over the last three and one half years.

2013 Distribution Vegetation Management Work by Circuit

See Attachment 1 for vegetation management work performed on each distribution circuit for 2013. The units reported are Re-clearing Miles Complete, acres of brush cut, acres of brush sprayed, Tree Growth Regulator (soil injection), trees removed, and trees trimmed.

2013 Distribution Operation & Maintenance VM Work by Circuit

See Attachment 1 for the total expenditures for vegetation management work on each distribution circuit in 2013. RWM, AEP's software program for tracking vegetation work and expenditures, does not separate the O&M and Capital expenditures for the circuits worked during the year. Therefore, the costs in Attachment 1 represent the total O&M and Capital expenditures for each circuit in 2013.

2013 Distribution Vegetation Management Plan - Additional Information

Kentucky Power's 2010 Distribution Vegetation Management Program changed mid-year 2010 from a performance-based maintenance program to a full-circuit maintenance program aimed at moving the Company's VM Program to a cycle-based approach.

In 2013, 823 miles of line were re-cleared; Kentucky Power's goal was to re-clear 1,119 miles of line. Please see the Summary of the 2013 Kentucky Power Distribution Vegetation Management Program found on Page 4 of this report for an explanation.

The total 2013 O&M expenditures for the VM Program were \$17,474,730, or \$236,765 above the Settlement annual amount of \$17,237,965, as shown below. Kentucky Power planned to spend above the settlement amount in 2013 to make up for the 2012 shortfall of \$214,280 below the settlement amount.

Total VM O&M	\$ 17,474,730
Settlement Agreement Paragraph 5(a)	\$ 7,237,965
Settlement Agreement Paragraph 5(b)	\$ 10,000,000
Total Settlement Agreement	\$ 17,237,965
Amount spent above the agreement	\$ 236,765

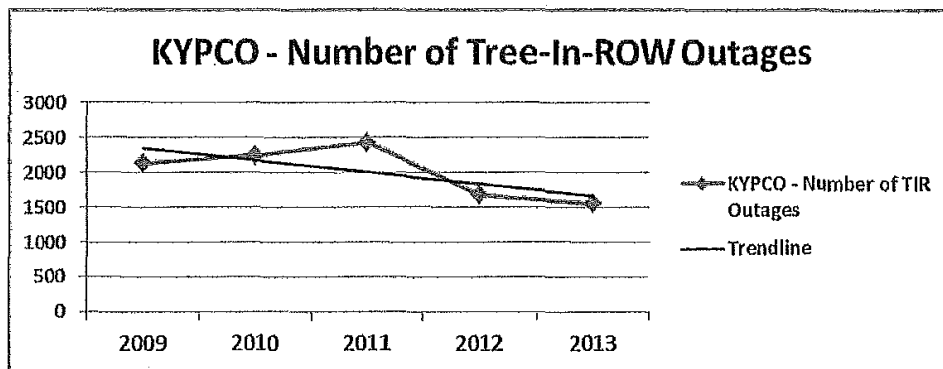
Vegetation Management Program Re-Clearing Update (Since July 2010)

This report marks the mid-point of the projected seven year period for the initial re-clearing of Kentucky Power's distribution system. Under the 2009 Rate Case Settlement Agreement, Kentucky Power committed to spend during this three and one-half year period \$60,332,877 for vegetation management O&M, and invest \$7,140,000 in forestry capital. During this same period, Kentucky Power spent \$60,687,507 in O&M and \$8,066,266 in Capital for its Vegetation Management Program. Despite the fact that Kentucky Power has exceeded its budgetary commitment, only approximately 40% of the Kentucky Power's distribution system has been re-cleared since July of 2010.

Since July 2010, Kentucky Power has worked toward reaching its goal of establishing a four-year cycle within seven years. During this time period, Kentucky Power has encountered two main obstacles. First, Kentucky Power found that it had significantly underestimated the amount of vegetation in and around its energized facilities. The additional vegetation has increased the cost and time necessary for clearing the facilities. Second, it took much longer than originally anticipated to safely and productively increase the vegetation management workforce to full staffing levels. As a result, Kentucky Power has not yet reached the halfway mark in re-clearing its circuits and is behind schedule. Kentucky Power is re-evaluating its processes and will

provide an update to the Commission in the September 30, 2014 filing of the 2015 VM plan on what additional or modified measures or expenditures, if any, might be required to meet the seven year target.

Notwithstanding the setbacks in the initial re-clearing cycle, Kentucky Power's VM Program is already providing benefits to its customers. Over the last two years, Tree-In-ROW outages (excluding major event days) have been reduced by approximately 36% while the customer minutes of interruption associated with these events have been reduced by about 46%.



Summary of the 2013 Kentucky Power Distribution Vegetation Management Program

Kentucky Power's 2013 Distribution Vegetation Management (VM) Program continued the migration from a performance-based asset management maintenance program to a full-circuit cycle-based maintenance program. The O&M spending target for 2013 was \$17,452,045. This includes the 2009 rate case settlement agreement amount of \$17,237,965¹ plus \$214,280 to make-up the 2012 under-expenditure. Total O&M expenditures for the VM program were \$17,474,730 or \$ 22,685 more than the target amount.

The forestry capital spending target was \$2,550,000. This capital spending target amount was \$510,000 more than the \$2,040,000 test year level the Company agreed to maintain as part of the settlement approved in Case No. 2009-00459.² The 2013 forestry capital expenditures were \$3,428,239, which exceeded the 2013 capital spending target by \$878,239.

Total 2013 expenditures for the VM Program were \$20,902,969. This exceeded the total spending target for O&M and forestry capital of \$ 20,002,045 by \$ 900,924.

Costs included in the totals above that were not allocated to a specific circuit include; Internal Labor & Fleet, unscheduled hotspot maintenance, trouble restoration work, tree ticket investigation, contract foresters, tree contractor's field supervision, incentive program for tree contractor's employees, and contract clerical work.

The 2013 VM Plan identified 1,119 miles for re-clearing, and 823 miles (74%) were re-cleared. The VM Plan also included 3,147 acres to be sprayed in 2013, and 2,764 (88%) were sprayed. As has been the case since Kentucky Power began its effort to establish a four year cycle, a significantly greater amount of vegetation was discovered in and around Kentucky Power's energized facilities than was initially estimated for the circuits planned for re-clearing in 2013. Consequently, additional time and funds were required to safely clear the facilities and remove the vegetation debris. Other reasons for KPCo's not meeting its 2013 re-clearing goal were that maintaining circuit performance required attention and service restoration associated with minor storms slowed Kentucky Power's vegetation maintenance efforts. Most of the planned work that was unfinished in 2013 is scheduled for completion in 2014.

¹ See, Order, *In the Matter of: Application Of Kentucky Power Company For A General Adjustment Of Electric Rates*, Case No. 2009-00459 (Ky. P.S.C. June 29, 2010).

²*Id.* at n. 5.

2013 KY POWER FORESTRY CIRCUIT HISTORY

Circuit #	Circuit Name	Cost (includes O&M & Capital)	Circuits (rows) in BOLD were in the 2013 Plan					TGR	Tree Removal	Tree Trim	COMMENTS
			Total Line Miles	Reclearing Miles Planned	Reclearing Miles Complete	Brush Cut (acres)	Brush Spray (acres)				
2209403	South Neal - Whites Creek Road	\$971.97							9		Quality-of-Service Work
3000201	Big Sandy - Fallsburg South	\$790,604.17	158.0	60.0	50.0	18.0	158.7		9,360	4,694	Completed Full Circuit Reclear
3000202	Big Sandy - Bumaugh North	\$251,903.17				0.3			4,545	25	Widening
3000301	Bellefonte - Westwood	\$9,409.27					7.7			1	Ground spray application
3000303	Bellefonte - Bellefonte	\$60,424.47				0.3	60.8			63	Quality-of-Service Work; ground spray application
3000601	Grahn - Distribution	\$325.07									Quality-of-Service Work
3000701	Graysbranch - Graysbranch	\$3,453.66								15	Quality-of-Service Work
3000801	Hayward - Halderman	\$967,886.32	118.0	60.0	60.0	12.4	59.3	38.00	8,312	6,607	Began Full Circuit Reclear - to be completed in 2014
3000901	Highland - Russell	\$334.75								3	Quality-of-Service Work
3000902	Highland - Flatwoods	\$6,994.61					4.4			3	Quality-of-Service Work; ground spray application
3001002	Hitchins - Willard	\$5,704.82					3.8			15	Quality-of-Service Work; ground spray application
3001003	Hitchins - Grayson	\$1,469.93								3	Quality-of-Service Work
3001004	Hitchins - EK Road	\$230.25								2	Quality-of-Service Work
3001101	Hoods Creek - Summitt	\$7,218.85								49	Quality-of-Service Work
3001102	Hoods Creek - Rural	\$606.17								2	Quality-of-Service Work
3001201	Howard Collins - 13th St.	\$624.32								1	Quality-of-Service Work
3001202	Howard Collins - 29th St.	\$7,700.18						1.1		4	Quality-of-Service Work; ground spray application
3001203	Howard Collins - Floyd St.	\$1,219.22								2	Quality-of-Service Work
3001204	Howard Collins - Summitt	\$3,452.38								8	Quality-of-Service Work
3001402	Louisa - High Bottom	\$285.00								4	Quality-of-Service Work
3002001	South Shore - Siloam	\$7,185.77								8	Quality-of-Service Work
3002002	South Shore - Distribution	\$15,036.58				0.0	17.1			37	Quality-of-Service Work; ground spray application
3002107	10th Street - West Central	\$123,708.44	17.0	17.0	9.0	2.5	0.0			721	361 Full Circuit Reclear
3003701	Coalton - US 60 W	\$1,737.65								6	Quality-of-Service Work
3003702	Coalton - Cannonsburg	\$6,490.48								172	Widening
3003703	Coalton - Trace Creek	\$1,461.57					1.7			22	Quality-of-Service Work; ground spray application
3004301	Siloam - Distribution	\$932.54								2	Quality-of-Service Work
3007903	Busseyville - Louisa	\$378.38								2	Quality-of-Service Work
3007904	Busseyville - Torchlight	\$53,205.20								266	Widening
3007905	Busseyville - Mattie	\$3,575.40				0.0	6.3			1	Quality-of-Service Work; ground spray application
3007906	Busseyville - Walbridge	\$278,834.07	112.0	10.0	13.0	4.0	6.7		3,129	1,179	began Full Circuit Reclear - to be completed in 2014
3008001	47th Street - 49th Street	\$644,620.77	26.0	18.0	18.0	11.5	5.5	0.00	3,608	2,415	Completed Full Circuit Reclear
3008002	47th Street - 39th Street	\$10,490.30				0.0	10.6			1	Quality-of-Service Work; ground spray application
3008701	Cannonsburg - Cannonsburg	\$3,002.91								5	Quality-of-Service Work
3008702	Cannonsburg - Rt. 3	\$176,287.02	104.0	10.0	10.0	16.8	121.9		921	443	Completed Full Circuit Reclear
3010601	Russell - Kenwood	\$507,436.24	21.0	21.0	21.0	4.7	0.0		1,361	2,403	Full Circuit Reclear
3103101	Olive Hill - Globe	\$1,234.33								8	Quality-of-Service Work
3103103	Olive Hill - West Carter Elementary	\$25,022.97				0.2	13.2			53	Quality-of-Service Work; ground spray application
3110901	Wurtland - Wurtland	\$1,875.48					0.8			1	Quality-of-Service Work; ground spray application
3110902	Wurtland - Greenup	\$747,182.85	51.0	51.0	51.0	7.3	3.7		5,594	4,318	Full Circuit Reclear
3110903	Wurtland - Rt. 503	\$9,141.84				0.0	13.7			10	Quality-of-Service Work; ground spray application
3116101	Grayson - Lansdowne	\$143.65								1	Quality-of-Service Work
3116102	Grayson - Dixie Park	\$1,483.63								3	Quality-of-Service Work
3116701	Belhaven - Diedrich	\$105.13					0.1				Quality-of-Service Work
3116702	Belhaven - Indian Run	\$1,765.00					1.1			2	Quality-of-Service Work; ground spray application
3116703	Belhaven - Argillite	\$3,796.35	27.5	10.0	0.0					2	Partial Circuit Reclear
3117601	Princess - Meade Station	\$279.10								1	Quality-of-Service Work

KPSC Case No. 2009-00459
 Kentucky Power Company
 Report of Calendar Year 2013
 Attachment 1
 Page 1 of 4

KPSC Case No. 2014-00396
 AG Initial Set of Data Requests
 Dated January 29, 2015
 Item No. 16b
 Attachment 4
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Circuit #	Circuit Name	Cost (includes O&M & Capital)	Total Line Miles	Reclearing Miles Planned	Reclearing Miles Complete	Brush Cut (acres)	Brush Spray (acres)	TGR	Tree Removal	Tree Trim	COMMENTS
3117602	Princess - Rt. 180	\$13,869.98							217	8	Quality-of-Service Work
ASHLAND District Totals		\$4,761,002.21		257.0	242.0	78.0	503.4	38	38,558	22,569	
3300501	Bluegrass - Walkertown	\$3,711.50				0.3	0.6		11	8	Quality-of-Service Work; ground spray application
3300502	Bluegrass - Hazard	\$17,253.77				0.5	0.4		372	121	Quality-of-Service Work; ground spray application
3301101	Chavies - Chavies	\$92,048.45				11.5	138.6		995	182	Quality-of-Service Work; ground spray application
3301102	Chavies - Buckhorn	\$2,237.33					6.0		30		Quality-of-Service Work; ground spray application
3301401	Combs - Combs	\$2,127.84					2.5				Ground spray application
3301402	Combs - Airport Garden	\$6,718.66				0.1	2.9		30	6	Quality-of-Service Work; ground spray application
3301704	Daisy - Leatherwood	\$973,852.34	81.3	81.3	48.0	106.8	17.3		23,419	4,004	Began Full Circuit Reclear
3302701	Hazard - Black Gold	\$14,065.48					30.5		1	3	Quality-of-Service Work; ground spray application
3302702	Hazard - Lofthair	\$734.03				0.6					Quality-of-Service Work
3302703	Hazard - Hazard	\$3,702.43					1.3		17	16	Quality-of-Service Work; ground spray application
3302704	Hazard - Kenmont	\$9,110.28					9.8		22	4	Quality-of-Service Work; ground spray application
3303901	Leslie - Hyden	\$83,347.83				7.0	127.9		532	224	Quality-of-Service Work; ground spray application
3303902	Leslie - Wootton	\$813,346.50	158.4	40.0	35.3	133.0	5.9		14,023	3,697	Began Full Circuit Reclear
3303903	Leslie - Hals Fork	\$442,469.83	75.4	45.4	45.4	85.2	160.5		6,411	1,408	Complete Full Circuit Reclear
3307301	Bulan - Ary-Heiner	\$124,193.48				17.6	58.4		1,720	380	Quality-of-Service Work; ground spray application
3307302	Bulan - Ajax-Dwarf	\$195,518.55	43.9	43.9	43.9	31.2	19.7		3,337	968	Full Circuit Reclear
3307303	Bulan - Lotts Creek	\$20,981.87	2.0	2.0	2.0	5.6	11.1		268	46	Full Circuit Reclear
3308001	Jackson - South Jackson	\$16,152.83				0.8	2.7		130	31	Quality-of-Service Work; ground spray application
3308002	Jackson - Panbowl	\$46,680.43				5.2	5.2		541	135	Quality-of-Service Work; ground spray application
3308401	Beckham - Hindman	\$11,385.52				0.1	18.4		59	59	Quality-of-Service Work; ground spray application
3308402	Beckham - Carr Creek	\$983,124.91	116.1	60.0	59.0	99.8	73.5		15,690	5,137	Complete Full Circuit Reclear
3308502	Bonnyman - Hazard	\$354,504.33	47.7	47.7	47.4	103.5	10.8		12,160	1,603	Full Circuit Reclear
3308503	Bonnyman - Big Creek	\$80,492.48				0.0	182.4	0.00	12	3	Quality-of-Service Work; ground spray application
3308501	Collier - Upper Rockhouse	\$37,740.57				6.2			1,161	84	Quality-of-Service Work
3308502	Collier - Lower Rockhouse	\$40,300.80				0.1	26.7		92	6	Quality-of-Service Work; ground spray application
3308503	Collier - Smoot Creek	\$81,426.59				6.6	28.0		1,357	229	Quality-of-Service Work; ground spray application
3309001	Jeff - Viper	\$63,386.31	47.4	47.4	3.0	3.3			903	214	Began Full Circuit Reclear
3309002	Jeff - Jeff	\$13,060.33	1.2	1.2	1.2	1.8			251	42	Full Circuit Reclear
3309101	Whitesburg - Whitesburg	\$2,068.47					0.3		1	3	Quality-of-Service Work; ground spray application
3309102	Whitesburg - Hospital	\$113,424.34	8.0	8.0	8.0	7.0	0.1		938	283	Full Circuit Reclear
3309103	Whitesburg - Cowan	\$5,416.29				0.2	0.2		65	7	Quality-of-Service Work; ground spray application
3309104	Whitesburg - Crafts Colley	\$2,927.74				0.1	0.0		11	18	Quality-of-Service Work
3309301	Vicco - Red Fox	\$7,458.61				0.6	2.0		169	4	Quality-of-Service Work; ground spray application
3309302	Vicco - Jeff	\$30,519.84				-35.2	22.1		693	122	Quality-of-Service Work; ground spray application
3309901	Slemp - Defeated Cr.	\$3,248.35					0.1		11		Quality-of-Service Work; ground spray application
3309902	Slemp - Leatherwood	\$23,951.04				5.0	0.4		436	23	Quality-of-Service Work; ground spray application
3309903	Slemp - Beech Fork	\$4,636.40				3.2			140	1	Quality-of-Service Work
3310501	Haddix - Quicksand	\$96,611.78				9.6	20.0		2,068	211	Quality-of-Service Work; ground spray application
3310502	Haddix - Canoe	\$24,759.02				2.4	10.1		187	59	Quality-of-Service Work; ground spray application
3311101	Stinnett - Redbird	\$59,101.88				13.1	140.2		34	12	Quality-of-Service Work; ground spray application
3311102	Stinnett - Beech Fork	\$18,255.97				11.5	40.1				Quality-of-Service Work; ground spray application
3311103	Stinnett - Wendover 35kV	\$27,628.01				10.8	55.0		132	8	Quality-of-Service Work; ground spray application
3311401	Reedy - Deane	\$32,325.82					44.2		25		Quality-of-Service Work; ground spray application
3311704	Shamrock - Shamrock	\$525,456.52	38.3	38.3	36.8	201.5	0.0		10,315	2,025	Began Full Circuit Reclear
3312201	Engle - Industrial Park 34.5	\$7,817.19	3.8	0.0	3.8	10.7	23.9		1,429	83	Full Circuit Reclear
3312202	Engle - Grapevine 34.5	\$58,100.26				3.3	22.5		1,111	261	Quality-of-Service Work; ground spray application
3312901	Jenkins - Kona	\$15,704.62				0.4	16.4		107	2	Quality-of-Service Work; ground spray application
3312902	Jenkins - Jenkins	\$207,495.48	24.8	24.8	24.5	67.1	0.2		2,225	962	Full Circuit Reclear
3314401	Mayking - Ermine	\$5,664.88							67	39	Quality-of-Service Work

Circuit #	Circuit Name	Cost (includes O&M & Capital)	Total Line Miles	Reclearing Miles Planned	Reclearing Miles Complete	Brush Cut (acres)	Brush Spray (acres)	TGR	Tree Removal	Tree Trim	COMMENTS
3409503	Burdine - Jenkins	\$101,502.86	8.4	8.4	8.4	9.0			1,362	329	Full Circuit Reclear
3451202	Beefhide - Dunham	\$89,414.80	9.9	9.9	9.9	10.5	0.0		1,130	298	Full Circuit Reclear
3314402	Mayking - Millstone	\$24,548.34				0.5	0.0		266	21	Quality-of-Service Work
3420001	Softshell - Vest	\$42,455.66				7.8			975	258	Quality-of-Service Work
3420002	Softshell - Leburn	\$27,132.75				6.4	2.5		762	116	Quality-of-Service Work; ground spray application
HAZARD District Totals		\$6,111,170.02		458.3	376.6	972.0	1344.7	0.0	108203.0	23753.0	
3150501	Borderland - Nolan-A	\$10,535.73				1.4			298	14	Quality-of-Service Work
2163502	Middle Burning Ck - Naugatuck	\$0.00	1.3	1.3	0.0						Deferred until 2014
3150502	Borderland - Chattaroy	\$524.53							11		Quality-of-Service Work
2150103	Sprigg - Sprigg	\$428,950.95	8.1	8.1	8.1	20.3	0.0		3,012	1,745	Full Circuit Reclear
2150105	Sprigg-Matewan	\$7,758.88					7.1		15		Quality-of-Service Work; ground spray application
3200201	Barrenshe - Freeburn	\$3,329.96					2.5		20	6	Quality-of-Service Work; ground spray application
3200202	Barrenshe - Vulcan-A	\$19,825.23					24.2		11		Quality-of-Service Work; ground spray application
3308402	Beckham - Carr Creek	\$79,119.50				2.7			901	308	Full Circuit Reclear
3200204	Barrenshe - Pounding Mill	\$15,267.97					11.5		64		Quality-of-Service Work; ground spray application
3200301	Belfry - Belfry	\$1,276.48							1	1	Quality-of-Service Work
3200302	Belfry - Toier	\$40,099.00				1.1	25.2		217	5	Quality-of-Service Work; ground spray application
3201002	Tom Watkins - Distribution-A	\$16,178.26				2.9	4.2		10		Quality-of-Service Work; ground spray application
3202201	Lovely - Lovely-A	\$708,263.44	41.0	14.0	9.0	36.5	21.7		9,290	8,221	Full Circuit Reclear - to be completed in 2014
3202202	Lovely - Wolf Creek	\$11,318.37	58.7	36.9	0.0	0.4			61	10	Deferred until 2014
3202203	Lovely - Mt. Sterling	\$388,684.40	12.6	12.6	9.3	18.7	4.4		5,571	5,731	Full Circuit Reclear - to be completed in 2014
3400301	Betsy Layne - Mud Creek	\$36,402.68	77.0	50.0	0.0	0.2	16.8		283	43	Deferred until 2014
3400302	Betsy Layne - Tram 12 KV	\$33,266.57				0.0	8.9		196	22	Quality-of-Service Work; ground spray application
3400303	Betsy Layne - Harold	\$30,083.28				0.1	26.8		167	44	Quality-of-Service Work; ground spray application
3400601	Burton - Bevinville	\$11,114.39	21.0	15.0	2.5	0.1	0.0		72	1,877	Full Circuit Reclear - to be completed in 2014
3400602	Burton - Wheelwright	\$214,690.86	21.0	12.0	6.0	6.6			2,695	443	Full Circuit Reclear - to be completed in 2014
3400701	Draffin - Belcher	\$81,122.31	22.0	2.0	2.0	3.0			610	111	Completed Full Circuit Reclear
3400901	Elkhorn City - City	\$68,859.14				1.0	4.2		631	47	Quality-of-Service Work; ground spray application
3400902	Elkhorn City - Graasy	\$8,512.68				0.3			246		Quality-of-Service Work
3401001	Elwood - Dorton	\$105,672.79				2.8	83.0		82	0	Quality-of-Service Work; ground spray application
3401002	Elwood - Virgle	\$67,281.75				0.0	63.6		57	1	Quality-of-Service Work; ground spray application
3401101	Falcon - Oil Springs	\$2,446.13							6		Quality-of-Service Work
3401102	Falcon - Salyersville	\$4,723.34							5	8	Quality-of-Service Work
3401103	Falcon - Burning Fork	\$6,018.18							11	19	Quality-of-Service Work
3401301	Fleming - Neon	\$17,578.78				0.2	0.1		34	115	Quality-of-Service Work; ground spray application
3401302	Fleming - McRoberts	\$73,143.10				7.1	0.1		1,019	225	Quality-of-Service Work; ground spray application
3401702	Henry Clay - Regina	\$65,483.27				0.6	2.5		1,083	102	Quality-of-Service Work; ground spray application
3401703	Henry Clay - Ashcamp	\$21,856.48							134	8	Quality-of-Service Work
3401801	Index - Distribution	\$26,433.92				0.4	58.4		90	16	Quality-of-Service Work; ground spray application
3401802	Index - Hospital	\$15,796.60				0.1			48	17	Quality-of-Service Work
3402002	Keyser - Stonecoal	\$37,475.48				0.1	24.7		103	16	Quality-of-Service Work; ground spray application
3402003	Keyser - Mullins	\$24,574.33				0.0			84	17	Quality-of-Service Work
3402202	McKinney - Gibson	\$586,512.62	44.0	44.0	26.0	41.7	2.2		9,621	1,404	Full Circuit - to be completed in 2014
3402204	McKinney - Maytown	\$26,324.38				1.0			568	50	Quality-of-Service Work
3402501	Middle Creek - Distribution	\$907.13							8	4	Quality-of-Service Work
3403001	Pikeville - City	\$20,878.08				0.6			246	41	Quality-of-Service Work
3403002	Pikeville - Main Street	\$1,805.93							2	3	Quality-of-Service Work
3403003	Pikeville - Cedar Creek	\$46,820.28				0.7	1.3		633	17	Quality-of-Service Work; ground spray application
3403201	Beaver Creek - Ligon	\$148,606.57	80.0	70.0	5.0	23.1	4.1		3,488	656	Complete Full Circuit Reclear
3403202	Beaver Creek - Price	\$3,308.69				0.0	0.0		40	10	Quality-of-Service Work
3403301	Prestonsburg - City	\$3,146.90				0.2			29	9	Quality-of-Service Work

Circuit #	Circuit Name	Cost (includes O&M & Capital)	Total Line Miles	Reclearing Miles Planned	Reclearing Miles Complete	Brush Cut (acres)	Brush Spray (acres)	TGR	Tree Removal	Tree Trim	COMMENTS	
3403302	Prestonsburg - University	\$75,706.21	14.0	5.0	5.0	1.7	46.5		606	397	Complete Full Circuit Reclear	
3403701	Russell Fork - Little Beaver	\$414.22					0.5				Ground spray application	
3404301	Sidney - Big Creek	\$8,182.78				0.2			100	4	Quality-of-Service Work	
3404302	Sidney - Coburn Mtn.	\$9,651.41				6.8			50	8	Quality-of-Service Work	
3407101	Topmost - Dema	\$4,005.05								3	Quality-of-Service Work	
3407103	Topmost - Kite	\$6,435.42				0.4			82	16	Quality-of-Service Work	
3408101	Salisbury - Printer	\$26,830.81					39.6		24	20	Quality-of-Service Work; ground spray application	
3408103	Salisbury - Martin	\$527,716.91	56.0	50.0	50.0	58.6	4.0		9,557	2,723	Complete Full Circuit Reclear	
3408303	Coleman - Peter Creek	\$6,999.11				0.4			56		Quality-of-Service Work	
3408402	Kimper - Grapevine	\$34,007.26				0.3			649	5	Quality-of-Service Work	
3409001	W. Paintsville - Paintsville	\$3,338.09							4	7	Quality-of-Service Work	
3409002	W. Paintsville - Staffordsville	\$1,485.21							2		Quality-of-Service Work	
3409003	West Paintsville - Plaza	\$3,039.65							13	9	Quality-of-Service Work	
3409301	Kenwood - W Van Lear	\$2,182.62				0.1			33	3	Quality-of-Service Work	
3409302	Kenwood - Auxier	\$3,881.82					0.6		3	12	Quality-of-Service Work; ground spray application	
3409303	Kenwood - Hagerhill	\$816.26					1.4				Ground spray application	
3409502	Burdine - Levisa Stone	\$115,193.19					104.5		115	9	Quality-of-Service Work; ground spray application	
3410501	So. Pikeville - Pikeville	\$381.76							2		Quality-of-Service Work	
3410502	So. Pikeville - Island Creek	\$1,325,693.83	41.0	41.0	40.0	69.7	9.9		13,695	2,544	Full Circuit Reclear	
3410503	South Pikeville - Hospital	\$95,653.61	7.0	7.0	7.0	9.2	0.0		1,846	253	Full Circuit Reclear	
3410601	E. Prestonsburg - Prestonsburg	\$721.00								1	Quality-of-Service Work	
3410602	E. Prestonsburg - Lancer	\$7,106.37							32	15	Quality-of-Service Work	
3411401	Dewey - Inez-A	\$25,671.94				0.0	5.9		314	39	Quality-of-Service Work; ground spray application	
3411801	Johns Creek - Meta	\$607,318.94		10.0	10.0	28.7	0.0		7,250	1,769	Partial Circuit Reclear	
3411802	Johns Creek - Raccoon	\$271,845.22				9.9	43.7		3,054	97	Quality-of-Service Work; ground spray application	
3411901	Fords Branch - Shelby	\$23,225.61					22.9		1		Quality-of-Service Work; ground spray application	
3411902	Fords Branch - Robinson Ck	\$5,463.17				0.2			61	1	Quality-of-Service Work	
3412901	Weeksbury - Distribution	\$599,020.17	30.0	15.0	14.3	37.2	0.0		7,021	2,856	Full Circuit Reclear	
3413401	Garrett - Garrett	\$1,908.16				0.1			14	3	Quality-of-Service Work	
3413402	Garrett - Lackey	\$5,739.29				0.3			74	8	Quality-of-Service Work	
3417601	New Camp - South Side	\$493,152.29	10.0	10.0	10.0	23.5	0.0		4,265	829	Full Circuit Reclear	
3417602	New Camp - Arh-W Wmsn.	\$6,218.44				0.1	0.0		53	4	Quality-of-Service Work	
3420101	Mayo Trail - Nippa	\$1,350.16					4.6				Ground spray application	
3420103	Mayo Trail - Davis Branch	\$14,862.64					24.9		35	11	Quality-of-Service Work; ground spray application	
PIKEVILLE District Totals		\$7,838,759.71			403.9	204.2	420.9	704.3	0	90,788	33,012	

KENTUCKY POWER Totals	\$18,713,622.66	1,119.2	622.8	1,470.9	2,549.3	38	237,649	79,334
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Costs that were not allocated to a circuit include: internal labor & fleet costs, some unscheduled hotspot maintenance, trouble restoration work, tree ticket investigation, contract clerical work, contract foresters (4), tree contractors' field supervision, and incentive program for tree contractor's employees.

2013 KENTUCKY POWER DISTRIBUTION VEGETATION MANAGEMENT RECAP

DISTRICT	PLANNED RECLEAR MILES	ACTUAL RECLEAR MILES	PLANNED SPRAY ACRES	ACTUAL SPRAY ACRES	FORESTRY CAPITAL FUNDING	FORESTRY CAPITAL EXPENDITURES	UNSCHEDULED REACTIVE O&M FUNDING	UNSCHEDULED REACTIVE O&M EXPENDITURES
HAZARD	458	377	1620	1377	\$ 945,152	\$ 972,345	\$ 242,718	\$ 733,500
PIKEVILLE	404	204	1087	865	\$ 912,692	\$ 1,237,530	\$ 187,517	\$ 589,757
ASHLAND	257	242	440	522	\$ 692,156	\$ 736,625	\$ 170,322	\$ 47,400
TOTALS	1119	823	3147	2764	\$ 2,550,000	\$ 2,946,500	\$ 600,557	\$ 1,370,657

DISTRICT	SCHEDULED O&M FUNDING	SCHEDULED O&M EXPENDITURES	TOTAL O&M FUNDING	TOTAL O&M EXPENDITURES	TOTAL VMP FUNDING	TOTAL VMP EXPENDITURES
HAZARD	\$ 5,612,819	\$ 5,033,160	\$ 5,855,537	\$ 5,766,660	\$ 6,800,689	\$ 6,739,005
PIKEVILLE	\$ 7,170,768	\$ 6,749,630	\$ 7,358,285	\$ 7,339,387	\$ 8,270,977	\$ 8,576,917
ASHLAND	\$ 4,068,621	\$ 4,321,283	\$ 4,238,943	\$ 4,368,683	\$ 4,931,099	\$ 5,105,308
TOTALS	\$ 16,852,208	\$ 16,104,073	\$ 17,452,765	\$ 17,474,730	\$ 20,002,765	\$ 20,421,230

Reclearing Miles

8,065 OH Primary

	<u>OH PRI</u>
ASHLAND	2,466
HAZARD	2,673
PIKEVILLE	2,926
TOTAL	8,065

Scenario 1: Reclaim in 8 years

District	Cumulative	mid-2010	2011	2012	2013	2014	2015	2016
ASHLAND	2466	91	288	238	242	246	389	389
HAZARD	2673	211	308	437	380	400	268	268
PIKEVILLE	2926	161	370	220	204	362	459	459
Total	8065	463	966	895	826	1008	1116	1116
Cumulative		463	1429	2324	3150	4158	5274	6390
Remaining		7602	6636	5741	4915	3907	2791	1675
% Complete		6%	18%	29%	39%	52%	65%	79%
% ASH		4%	15%	25%	35%	45%	61%	76%
%HAZ		8%	19%	36%	50%	65%	75%	85%
%PKV		6%	18%	26%	33%	45%	61%	76%

Scenario 2: Reclaim in 7 1/2 years

District	Cumulative	mid-2010	2011	2012	2013	2014	2015	2016
ASHLAND	2466	91	288	238	242	246	453	454
HAZARD	2673	211	308	437	380	400	313	312
PIKEVILLE	2926	161	370	220	204	362	536	537
Total	8065	463	966	895	826	1008	1302	1303
Cumulative		463	1429	2324	3150	4158	5460	6763
Remaining		7602	6636	5741	4915	3907	2605	1302
% Complete		6%	18%	29%	39%	52%	68%	84%
% ASH		4%	15%	25%	35%	45%	63%	82%
%HAZ		8%	19%	36%	50%	65%	77%	88%
%PKV		6%	18%	26%	33%	45%	63%	82%

Scenario 3: Reclear at Current Rate

District	Cumulative	mid-2010	2011	2012	2013	2014	2015	2016
ASHLAND	2089	91	288	238	242	246	246	246
HAZARD	2673	211	308	437	380	400	386	386
PIKEVILLE	2489	161	370	220	204	362	293	293
Total	7251	463	966	895	826	1008	925	925
Cumulative		463	1429	2324	3150	4158	5083	6008

Remaining % Complete	7602 6%	6636 18%	5741 29%	4915 39%	3907 52%	2982 63%	2057 74%
% ASH	4%	15%	25%	35%	45%	55%	65%
%HAZ	8%	19%	36%	50%	65%	79%	94%
%PKV	6%	18%	26%	33%	45%	55%	65%

2017	mid-2018
389	194
268	133
459	232
1116	559
7506	8065
559	0
93%	0%
92%	100%
95%	100%
92%	100%

2017	mid-2018
454	0
312	0
536	0
1302	0
8065	8065
0	0
100%	0%
100%	100%
100%	100%
100%	100%

2017	2018
246	246
165	0
293	293
704	539
6712	7251

1353	814
83%	10%
75%	85%
100%	100%
75%	85%

STITES & HARBISON PLLC
ATTORNEYS

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SEP 30 2013
PUBLIC SERVICE
COMMISSION

421 West Main Street
Post Office Box 634
Frankfort, KY 40602-0634
(502) 223-3477
(502) 223-4124 Fax
www.stites.com

Mark R. Overstreet
(502) 209-1219
(502) 223-4387 FAX
moverstreet@stites.com

September 30, 2013

HAND DELIVERED

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

RE: Case No. 2013-00197

Dear Mr. Derouen:

Enclosed please find and accept for filing the original and ten copies of the following:

- (a) Kentucky Power's Response to Staff 1-44; and
- (b) Kentucky Power's Response to Staff 1-55.

A copy of this letter and the responses are being served by overnight delivery on counsel of record and the others persons indicated below.

Very truly yours,

Mark R. Overstreet

MRO

cc: Michael L. Kurtz
Jennifer B. Hans
Derrick Price Williamson
Lane Kollen
J. Randall Woolridge

Filed September 30, 2013
 In Conformity With Paragraph 5(c)
 Of the Unanimous Settlement Agreement
 P.S.C. Case No. 2009-00459
 Page 1 of 3

**Kentucky Power Company
 2014 Distribution Vegetation Management Plan**

RECEIVED

SEP 30 2013

PUBLIC SERVICE
 COMMISSION

Overview

On September 27, 2012, Kentucky Power filed its 2013 Distribution Vegetation Management Plan with the Public Service Commission. In the 2013 plan, the Company projected undertaking distribution vegetation management work to re-clear 1,118 miles of distribution lines¹ at an estimated O&M cost of \$17.2M. In the 2014 Plan which is attached to this overview, the Company projects to re-clear 1,046 miles of distribution lines at an estimated cost of \$17.2 million.

The table below compares the projected work and O&M budgets for the Company's 2013 and 2014 Distribution Vegetation Management Plans:

District	Planned Miles of Distribution Line to be Re-cleared		Total Distribution Vegetation Management O&M Budget	
	2013	2014	2013	2014 *
Hazard	458	438	\$ 5,866,498	\$ 5,163,668
Pikeville	403	362	7,264,282	7,576,597
Ashland	257	246	4,107,185	4,497,700
Totals	1,118	1,046	\$17,237,965	\$17,237,965

*Please see EXHIBIT 4 for the Expenditure details.

Under the Unanimous Settlement Agreement approved by the Commission in Case No. 2009-00459, Kentucky Power agreed to maintain the test-year level of distribution vegetation management O&M expenditures. In addition, under the Unanimous Settlement Agreement, Kentucky Power is to receive and is required to spend an additional \$10 million annually for distribution vegetation management O&M expenditures.

A circuit-by-circuit description of the proposed distribution vegetation management work plan for 2014, along with the associated O&M expenditures, is

¹ See Exhibit 2, page 1 of 2, col. "Miles Planned" of the 2013 plan. The 2,155 miles listed in table in the Overview section of the 2013 plan included both line miles re-cleared and line miles sprayed. Beginning with the 2014 plan, the Company proposes to report only the line miles re-cleared. Doing so will enable the Commission to gauge the Company's progress on its projected seven year initial re-clearing of the distribution lines.

Filed September 30, 2013
In Conformity With Paragraph 5(c)
Of the Unanimous Settlement Agreement
P.S.C. Case No. 2009-00459
Page 2 of 3

provided as EXHIBIT 1 to this overview. EXHIBIT 2 to the overview sets out by district the projected spraying expenditures during 2014. Finally, EXHIBIT 3 to the overview provides on a district-by-district basis the projected total O&M expenditures during 2014.

As set out in more detail on EXHIBITS 1-3 of this Plan, Kentucky Power projects that during 2014:

- Approximately 1,046 miles of distribution line will be re-cleared.
- Herbicide will be applied to 1,350 miles covering approximately 2,454 acres with an O&M budget of over \$1.2 million.
- An estimated \$17.2 million will be spent on O&M for distribution vegetation management, with \$16.8 million expected to be spent on planned maintenance, and \$0.4 million to be spent on unscheduled/reactive maintenance, as required.
- In addition to expenses for current forestry staff, re-clearing, and 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 beginning July 1, 2010 to perform a complete re-clearing 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.

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 2014 plan, but which is experiencing reliability problems. The company will inform the Commission of any such material deviation from its Plan.

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 Of the Unanimous Settlement Agreement
 P.S.C. Case No. 2009-00459
 Page 3 of 3

2014 Kentucky Power Distribution Vegetation Management Plan

The 2014 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 the Company 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. \$401,077 will be budgeted to address reliability issues that develop throughout the year. This Unscheduled/Reactive funding represents 2.3 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. The Company's spray program is a vital component of the 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 2,454 acres of brush in 2014.

The 2014 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 2014 Kentucky Power Distribution Management Plan projected expenditures for the three districts in its service territory are:

2014 KENTUCKY POWER DISTRIBUTION VEGETATION MANAGEMENT PLAN

AREA	PLANNED MILES RECLEARING	PLANNED SPRAY ACRES	UNSCHEDULED REACTIVE O&M FUNDING	SCHEDULED O&M FUNDING	TOTAL O&M FUNDING	FORESTRY CAPITAL FUNDING
HAZARD	438	864	\$150,000	\$5,013,668	\$5,163,668	\$1,234,783
PIKEVILLE	362	1,020	\$184,534	\$7,392,063	\$7,576,597	\$778,744
ASHLAND	246	570	\$66,543	\$4,431,157	\$4,497,700	\$536,473
TOTALS	1,046	2,454	\$401,077	\$16,836,888	\$17,237,965	\$ 2,550,000

2014 KYPCO DISTRIBUTION VEGETATION MANAGEMENT PLAN										
RECLEARING 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 Reclearing	TOTAL COST	COMMENTS
PKV	Lovely	Wolf Creek	3202202	59.0	26.0	\$18,000	\$468,000	\$40,716	\$508,716	Finish Full Circuit Reclear - Carryover miles from 2013
PKV	Sprigg	Matewan	2150105	9.3	8.0	\$18,000	\$144,000	\$12,528	\$156,528	Full Circuit Reclear
PKV	Borderland	Noian	3150501	24.0	24.0	\$18,000	\$432,000	\$37,584	\$469,584	Full Circuit Reclear
PKV	Dawey	Inez	3411401	169.0	19.0	\$18,000	\$342,000	\$29,754	\$371,754	Partial Reclear
PKV	Belfry	Belfry	3200301	28.7	2.0	\$18,000	\$36,000	\$3,132	\$39,132	Partial Reclear - Pecco Hollow
PKV	Sidney	Big Creek	3404301	29.0	11.0	\$18,000	\$198,000	\$16,443	\$214,443	Full Circuit Reclear - to be completed in 2015
PKV	Elkhorn City	City	3409801	29.0	29.0	\$18,000	\$522,000	\$45,414	\$567,414	Full Circuit Reclear
PKV	Johns Creek	Meta	3411801	167.0	46.0	\$18,000	\$828,000	\$72,036	\$900,036	Partial Reclear - Lower J.C. / Lower Brushy
PKV	Pikeville	Main Street	3409002	6.0	6.0	\$18,000	\$108,000	\$9,396	\$117,396	Full Circuit Reclear
PKV	Falcon	Oil Springs	3401101	49.0	49.0	\$18,000	\$882,000	\$76,734	\$958,734	Full Circuit Reclear
PKV	Beaver Creek	Ligon	3403201	80.0	50.0	\$18,000	\$900,000	\$78,300	\$978,300	Finish Full Circuit Reclear - Carryover miles from 2013
PKV	Betsy Layte	Mud Creek	3400301	77.0	70.0	\$18,000	\$1,260,000	\$109,620	\$1,369,620	Finish Full Circuit Reclear - Carryover miles from 2013
PKV	Beaver Creek	Price	3411802	22.0	22.0	\$18,000	\$396,000	\$34,452	\$430,452	Full Circuit Reclear
ASH	Busseyville	Walbridge	3007906	94.0	60.0	\$15,500	\$930,000	\$74,400	\$1,004,400	Full Circuit Reclear - to be completed in 2015
ASH	Coalton	US 60 West	3003701	85.0	56.0	\$15,500	\$858,000	\$69,440	\$927,440	Full Circuit Reclear - to be completed in 2015
ASH	Cannonsburg	Cannonsburg	3008701	64.0	64.0	\$15,500	\$992,000	\$79,360	\$1,071,360	Full Circuit Reclear - to be completed in 2015
ASH	South Shore	Siloam	3002001	35.0	35.0	\$15,500	\$542,500	\$43,400	\$585,900	Full Circuit Reclear
ASH	South Shore	Distribution	3002002	9.0	9.0	\$15,500	\$139,500	\$11,160	\$150,660	Full Circuit Reclear
ASH	Siloam	Distribution	3004301	22.0	22.0	\$15,500	\$341,000	\$27,280	\$368,280	Full Circuit Reclear - to be completed in 2015
HAZ	Leslie	Wooton	3303902	160.0	115.0	\$10,000	\$1,150,000	\$310,500	\$1,460,500	Finish Full Circuit Reclear
HAZ	Jeff	Viper	3309001	47.4	40.0	\$9,700	\$388,000	\$104,760	\$492,760	Finish Full Circuit Reclear
HAZ	Daisy	Leatherwood	3301701	88.0	56.0	\$9,700	\$485,000	\$130,950	\$615,950	Finish Full Circuit Reclear
HAZ	Engle	Grapevine	3312202	95.9	95.9	\$9,600	\$920,640	\$230,160	\$1,150,800	Full Circuit Reclear
HAZ	Jackson	South Jackson	3308001	26.5	26.5	\$9,700	\$257,050	\$68,118	\$325,168	Full Circuit Reclear
HAZ	Jackson	Panbowl	3308002	30.3	30.3	\$9,700	\$293,910	\$73,478	\$367,388	Full Circuit Reclear
HAZ	Collier	Smoot Creek	3308503	81.0	60.0	\$9,700	\$582,000	\$145,500	\$727,500	Full Circuit Reclear - to be completed in 2015
HAZ	Vicco	Redfox	3309301	48.0	20.0	\$9,400	\$188,000	\$47,000	\$235,000	Full Circuit Reclear - to be completed in 2015
RECLEARING TOTALS			Totals		1048		\$14,554,600	\$1,981,615	\$16,536,215	

9/30/2013



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 Of the Unanimous Settlement Agreement
 P.S.C. Case No. 2009-00489
 Exhibit
 Page 1 of 2

KPSC Case No. 2014-00396
 AG Initial Set of Data Requests
 Dated January 29, 2015
 Item No. 16b
 Attachment 4
 Page 19 of 22

KY 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.

2nd 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).

Cycle Buster Tree

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

Filed September 30, 2013
In Conformity With Paragraph 5(c)
Of the Unanimous Settlement Agreement
P.S.C. Case No. 2009-00459
Exhibit 2

DISTRIBUTION VEGETATION MANAGEMENT SPRAY PLAN			
KYPCO 2014			
DISTRICT	ACRES	O&M BUDGET	SPRAY MILES
PKV	1020	\$451,000	560
HAZ	864	\$414,703	475
ASH	570	\$351,500	315
Totals	2454	\$1,217,203	1350

Kentucky Power Company				
2014				
Distribution Vegetation Management O&M Forestry Plan-Summary				
<u>ACTIVITY</u>	<u>Total O&M</u>	<u>Pikeville</u>	<u>Hazard</u>	<u>Ashland</u>
RECLEARING	\$14,584,600	\$6,507,000	\$4,264,600	\$3,813,000
TOTAL SPRAY	\$1,217,203	\$451,000	\$414,703	\$351,500
AERIAL SAW	\$0	\$0	\$0	\$0
CONTRACT FORESTERS	\$255,000	\$95,625	\$95,625	\$63,750
STUMP GRINDING PROGRAM	\$1,000	\$0	\$0	\$1,000
TREE REPLACEMENT PROGRAM	\$6,000	\$0	\$5,000	\$1,000
KPI INCENTIVE PROGRAM - Contractor Field Personnel	\$543,085	\$261,771	\$157,073	\$124,241
INTERNAL-Existing KY Forestry Staff	\$230,000	\$76,667	\$76,667	\$76,666
Sub Total	\$16,836,888	\$7,392,063	\$5,013,668	\$4,431,157
Unscheduled/Reactive Maintenance	\$401,077	\$184,534	\$150,000	\$66,543
Total O&M	\$17,237,965	\$7,576,597	\$5,163,668	\$4,497,700
September 30, 2009 O&M Test Year Level	\$7,237,965			
Settlement O&M Incremental Level	\$10,000,000			
Total Annual O&M Distribution Vegetation	\$17,237,965			
Forestry Capital	\$2,550,000			
Total KYPCO Forestry Budget	\$19,787,965			
	<u>Reclearing Miles</u>			
Pikeville	362			
Hazard	438			
Ashland	246			
Totals	1,046			

Filed September 30, 2013
 In Conformity With Paragraph 5(c)
 Of the Unanimous Settlement Agreement
 P.S.C. Case No. 2009-00459
 Exhibit 3