

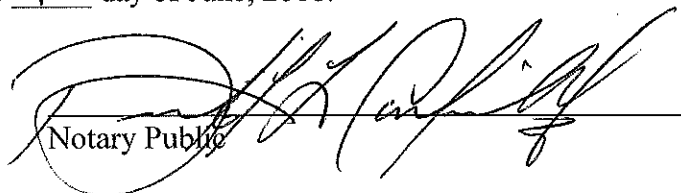
**VERIFICATION**

The undersigned Everett G. Phillips, being duly sworn, deposes and says he is the Managing Director, Distribution Region Operations for Kentucky Power Company, that he has personal knowledge of the matters set forth in the forgoing data requests and the information contained therein is true and correct to the best of his information, knowledge, and belief.

  
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Everett G Phillips

COMMONWEALTH OF KENTUCKY     )  
  ) CASE NO. 2016-00143  
COUNTY OF BOYD                             )

Subscribed and sworn to before me, a Notary Public in and before said County and State, by, Everett G. Phillips, this the 7<sup>th</sup> day of June, 2016.

  
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Notary Public

My Commission Expires: 4/5/2019

## **Kentucky Power Company**

### **REQUEST**

Refer to the application, page 5, footnote 6, regarding the \$344,171 difference between the total 2016 vegetation management capital budget and the Revised 2016 Plan Expenditures. The footnote provides that the difference reflects the projected vegetation management capital expenditures in 2016 for circuits other than Task 1 and Task 2 circuits. Provide an explanation detailing these "other circuits" and the 2016 budgeted capital amounts for each of these "other circuits".

### **RESPONSE**

The \$344,177 in capital expenditures identified in application footnote 6 is the amount budgeted for as-needed capital expenditures for those circuits that are not part of the 2016 Revised Vegetation Management Plan. The work associated with these capital expenditures principally comprises the removal of trees inside or outside of the right-of-way that are greater than 18 inches in diameter, and the widening of the right-of-way by clearing the length of an entire span outside the existing right-of-way.

Because the budgeted \$344,177 in capital expenditures are made on as-needed basis, it is not possible to identify the relevant circuits going forward. Through May 31, 2016 there were \$68,776.06 in actual 2016 as-needed vegetation management capital expenditures for circuits not part of the 2016 Revised Vegetation Management Plan. KPCO\_R\_PSC\_1\_1\_Attachment1 identifies these expenditures on a circuit-by-circuit basis.

**WITNESS:** Everett G. Phillips

**Kentucky Power Company**

**REQUEST**

Refer to the application, page 5, paragraph 10, the table labeled "Revised 2016 Plan Expenditures." Confirm that the amounts for the Pikeville Total O&M Expenditures, the Total Unscheduled Reactive O&M Vegetation Management Expenditures, and the Total - Total O&M Expenditures are correct. If they are not correct, provide a corrected "Revised 2016 Plan Expenditures" table with the accurate amounts for each of the three items referenced above.

**RESPONSE**

The entry for Pikeville District "Unscheduled Reactive O&M Vegetation Management Expenditures" was incorrect. The correct value was \$162,913. All other values were correct. Please see KPCO\_R\_PSC\_1\_2\_Attachment1 for the corrected values.

**WITNESS:** Everett G. Phillips

## **Kentucky Power Company**

### **REQUEST**

Refer to the Application, page 6, paragraph 11 , the table labeled "Deviation Between 2016 Plan Expenditures and 2016 Revised Plan Expenditures."

a. Confirm that the values for the Hazard Dollar Amount of Deviation, Pikeville Dollar Amount of Deviation, Total Dollar Amount of Deviation, Hazard Percentage Deviation, Pikeville Percentage Deviation, and Total Percentage Deviation are correct. If they are not correct, provide a corrected "Deviation Between 2016 Plan Expenditures and 2016 Revised Plan Expenditures" table with the accurate values for each of the six items referenced above.

b. Refer also to the application, page 9, paragraph 18, which states that the proposed Revised 2016 Plan Expenditures would assist Kentucky Power to complete the transition to a five-year vegetation management cycle by approximately the same date in each of its three districts. Explain why Kentucky Power is proposing to reallocate more funds to the Pikeville district as compared to the Ashland district, even though the percentage of Task 1 work completed for the Ashland and Pikeville districts are almost equal, i.e ., as of December 31 , 2015, 66 percent of the Task 1 work for the Ashland district is completed and 64 percent of the Task 1 work for the Pikeville district is completed.

### **RESPONSE**

a. Please see KPCO\_R\_PSC\_1\_3\_Attachment1 for the corrected values.

b. The larger reallocation of funds to the Pikeville district reflects three facts. First, the Pikeville district historically has experienced a higher tree-related incidence of outages than the Ashland district. The proposed reallocation allows the Company to address this disparity. Second, Kentucky Power plans to reduce its Hazard district vegetation management expenditures by redeploying some Hazard-based crews. Because the Hazard district is contiguous to the Pikeville district, these Hazard district-based crews can be more economically and efficiently deployed to the Pikeville district than to the more distant Ashland district. Finally, there is approximately 25% more Task 1 work – as measured in circuit miles of unperformed Task 1

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work – to be completed in the Pikeville district than in the Ashland district.<sup>1</sup> As result, although the percentage of circuit miles completed in the Ashland district and Pikeville district are roughly equal, there remains 211 more circuit miles of Task 1 work to be performed in the Pikeville district than in the Ashland district. The greater reallocation of funds to the Pikeville district will permit Kentucky Power to clear a portion of these additional Pikeville district Task 1 circuit miles.

**WITNESS:** Everett G. Phillips

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<sup>1</sup>  $(1054 \text{ miles (Pikeville)} - 843 \text{ miles (Ashland)}) \div 843 \text{ miles (Ashland)} = 25\%$ . See Application at paragraph 17. This difference in the Task 1 work to be completed reflects the larger amount of total circuit miles of distribution lines in the Pikeville district (2926 circuit miles) than in the Ashland district (2466 circuit miles).