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September 30, 2010

HAND DELIVERED

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

RECEIVED

SEP 30 2010
**PUBLIC SERVICE
COMMISSION**

Mark R. Overstreet
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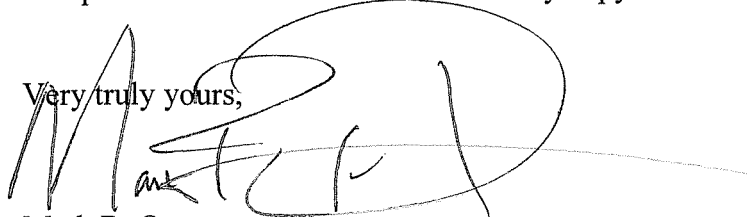
RE: P.S.C. Case No. 2009-00459

Dear Mr. Derouen:

Enclosed please find and accept for filing the original and ten copies of Kentucky Power Company's 2011 Distribution Vegetation Management Plan. The Plan is being filed in compliance with paragraph 5(c)(i) of the May 19, 2010 Unanimous Settlement Agreement in the above case.

Copies of the plan are being served on all parties to the above case. A courtesy copy also is being served on the limited intervenor.

Very truly yours,



Mark R. Overstreet

MRO

cc: Parties Of Record And Limited Intervenor As Shown On The Attached Service List

CERTIFICATE OF SERVICE

I hereby certify that a copy of the Kentucky Power Company's 2011 Distribution Vegetation Management Plan was served upon the following by first class mail, postage prepaid on the 30th day of September, 2010:

Joe F. Childers
Getty & Childers
1900 Lexington Financial Center
250 West Main Street
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Post Office Drawer 1179
Hazard, KY 41702

A courtesy copy also is being delivered by first class mail, postage prepaid upon counsel for the limited intervenor on the date set forth above:

Stephen A. Sanders
317 Main Street
Whitesburg, KY 41858

Counsel for Limited Intervenor


Mark R. Overstreet

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SEP 30 2010

**PUBLIC SERVICE
COMMISSION**

KPSC Case No. 2009-00459
In Conformity With Paragraph 5(c)(i)
Of the Unanimous Settlement Agreement
Page 1 of 3
Filed September 30, 2010

**Kentucky Power Company
2011 Distribution Vegetation Management Plan**

Overview

On March 31, 2010, Kentucky Power Company filed its 2010 Distribution Vegetation Management Plan with the Public Service Commission.¹ In the original 2010 Distribution Vegetation Management Plan, the Company projected undertaking distribution vegetation management work to maintain 872 miles of distribution lines at an estimated O&M cost of \$6.5M. In the 2011 Plan which is attached as EXHIBIT 1 to this Plan, the Company projects to maintain 2,295 miles of distribution lines at an estimated \$17.2 million.

Table 1 below compares the work to be performed and operation and maintenance expenditures to be made under the 2011 Distribution Vegetation Management Plan and the 2010 plan as originally filed.

Table 1

District	Planned Miles of Distribution Line to be Maintained		Planned Acres to be Sprayed (Included in Miles to be Maintained)		Total Distribution Vegetation Management O&M Expenditures	
	2010	2011	2010	2011	2010	2011
Hazard	333	1,022	854	1,062	\$2,230,528	\$6,012,155
Pikeville	360	833	630	619	\$2,495,953	\$7,237,098
Ashland	179	440	320	325	\$1,773,519	\$3,950,747
Totals	872	2,295	1,804	2,006	\$6,500,000	\$17,200,000

Under the Unanimous Settlement Agreement, 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. As shown above, Kentucky Power's annual Distribution Vegetation Management expenditures are expected to be \$17.2 million. Kentucky Power is on schedule to complete the work described in its May 20, 2010 revised Distribution Vegetation Management Plan.

¹ On May 20, 2010, in accordance with paragraph 5(c) of the Unanimous Settlement Agreement, Kentucky Power filed a revised Distribution Vegetation Management Plan for the six months ended December 31, 2010.

A circuit-by-circuit description of the proposed Distribution Vegetation management work plan for 2011, along with the associated O&M expenditures, is provided as EXHIBIT 2 to this Plan. EXHIBIT 3 to the Plan sets out by District the projected spraying expenditures during 2011. Finally, EXHIBIT 4 to the Plan provides on a district-by-district basis the project total O&M expenditures during 2011.

As set out in more detail on EXHIBITS 2-4 of this Plan, Kentucky Power projects that during 2011:

- Approximately 2,295 miles of distribution line will be maintained by manual trimming, mechanical trimming, and herbicide treatment.
- Herbicide will be applied to 1,204 miles covering approximately 2,006 acres with an O&M budget of over \$1.15 million.
- An estimated \$17.2 million will be spent on O&M for Distribution Vegetation Management, with \$15.6 million expected to be spent on planned maintenance, and \$1.6 million to be spent on unscheduled/reactive maintenance, as required.
- Kentucky Power will add 16 Asplundh crews (approximately 48 FTE's.) Kentucky Power also anticipates bidding out work on approximately 50 miles of circuit.
- In addition to expenses for current forestry staff, re-clearing, ground and aerial spraying of herbicides, additional activities of the plan include:
 - reactive maintenance
 - contract foresters
 - stump grinding programs
 - tree replacement programs
 - an incentive program for Asplundh field personnel

Kentucky Power estimates it will take 7 years to perform a complete maintenance 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.)

Vegetation management problems were identified as the primary cause of reliability problems for seven of the ten 2009 worst performing circuits. Therefore, the 2010 distribution vegetation management work addressed these reliability issues.

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

2011 Kentucky Power Distribution Vegetation Management Plan

The 2011 Vegetation Management Plan will focus on Full-Circuit Reclearing. 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. Some reclearing will be performed on selected Feeder Breaker Zones and Recloser/Sectionalizer Zones that impact large numbers of customers. Mitigating tree-caused outages in these areas will provide the optimum impact on reducing SAIFI. Some line segments that have experienced repeated tree-caused outages in 2010 will also be included in the 2011 Plan. Approximately \$1,591,670 will be earmarked to address reactive reliability issues that develop throughout the year. This Unscheduled/Reactive funding represents about eight percent of the total Vegetation Management Budget.

Judicious use of herbicides is an important component of Kentucky Power's 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 2,006 acres of brush in 2011.

The 2011 Kentucky Power Distribution Management Plan projection for the three districts in its service territory is:

2011 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
HAZARD	1,022	1,062	\$505,789	\$5,506,366	\$6,012,155
PIKEVILLE	833	619	\$761,301	\$6,475,797	\$7,237,098
ASHLAND	440	325	\$324,581	\$3,626,166	\$3,950,747
TOTALS	2,295	2,006	\$1,591,670	\$15,608,330	\$17,200,000

EXHIBIT 2

2011 KYPCCO DISTRIBUTION VEGETATION MANAGEMENT PLAN

RECLEARING PLAN										TOTAL	COMMENTS
DISTRICT	STATION NAME	CIRCUIT NAME	CIRCUIT NUMBER	LINE MILES	MILES PLANNED	O&M	DBX Assoc w/ Reclear	COST			
PKV	Sidney	Coburn Mountain	3404302	49	15	\$225,000	\$38,250	\$263,250	Finish Full Circuit Reclear		
PKV	Barrenshee	Vulcan	3200202	49	49	\$637,000	\$108,290	\$745,290	Full Circuit Reclear		
PKV	Spring	Mtewan	2150105	1	1	\$6,500	\$1,105	\$7,605	Station Zone		
PKV	Dewey	Inez	3414401	169	30	\$450,000	\$76,500	\$526,500	Lower Rockcastle Feeds		
PKV	Draffin	Yellow Hill	3400702	12	6	\$90,000	\$15,300	\$105,300	Finish Full Circuit Reclear		
PKV	Feds Creek	Feds Creek	3409401	41	15	\$195,000	\$33,150	\$228,150	Finish Full Circuit Reclear		
PKV	Fishtrap	Distribution	3414901	5	5	\$31,200	\$5,304	\$36,504	Full Circuit Reclear		
PKV	Fords Branch	Shelby	3411901	39	39	\$390,000	\$66,300	\$456,300	Full Circuit Reclear		
PKV	Fords Branch	Robinson Creek	3411902	56	40	\$400,000	\$68,000	\$468,000	Finish Full Circuit Reclear		
PKV	Elwood	Dorton	3401001	65	65	\$975,000	\$165,750	\$1,140,750	Full Circuit Reclear		
PKV	Elwood	Virgie	3401002	82	50	\$750,000	\$127,500	\$877,500	Partial		
PKV	Johns Creek	Meta	3411801	158	5	\$50,000	\$8,500	\$58,500	Hedge Rd. Recloser		
PKV	Burdine	Levisa	3409502	39	39	\$468,000	\$79,560	\$547,560	Full Circuit Reclear		
PKV	Coleman	Peter Creek	3408303	72	25	\$300,000	\$51,000	\$351,000	Partial		
PKV	Second Fork	Hagerhill	3409303	51	51	\$612,000	\$104,040	\$716,040	Full Circuit Reclear-Possible Bid		
PKV	South Pikeville	Distribution	3403801	2	1	\$6,500	\$1,105	\$7,605	Feeder Breaker Zone		
PKV	Allen	Pikeville	3410501	1	1	\$7,670	\$1,304	\$8,974	Station Zone		
HAZ	Stimmet	Distribution	3400101	38	25	\$300,000	\$51,000	\$351,000	Finish Full Circuit Reclear		
HAZ	Stimmet	Redbird	3311101	116	116	\$1,508,000	\$271,440	\$1,779,440	Full Circuit Reclear		
HAZ	Stimmet	Beech Fork	3311102	10	10	\$100,000	\$18,000	\$118,000	Full Circuit Reclear		
HAZ	Stimmet	Wendover	3311103	36	36	\$432,000	\$77,760	\$509,760	Full Circuit Reclear		
HAZ	Beckham	Hindman	3308401	83	75	\$862,500	\$155,119	\$1,017,619	Full Circuit Reclear		
HAZ	Combs	Combs	3301401	9	9	\$93,000	\$16,740	\$109,740	Full Circuit Reclear		
HAZ	Combs	Airport Gardens	3301402	41	41	\$492,000	\$88,560	\$580,560	Full Circuit Reclear		
HAZ	Collier	Lower Rockhouse	3308602	70	70	\$840,000	\$151,200	\$991,200	Full Circuit Reclear		
HAZ	Leslie	Worton	3303902	150	4	\$51,600	\$9,288	\$60,888	Recloser Zone, mouth of Cutshin		
HAZ	Bluegrass	Mtletrown	3300601	28	4	\$35,000	\$6,480	\$42,480	Second Zone		
HAZ	Softshell	Leburn	3420002	49	3	\$39,600	\$7,128	\$46,728	Recloser Zone, Possum Trov/Wiley Br		
HAZ	Softshell	Vest	3420001	54	9	\$108,000	\$19,440	\$127,440	Second Zones		
HAZ	Jeff	Viper	3309001	43	7	\$84,000	\$15,120	\$99,120	Recloser at Mtd. Fild Ft Intersection		
ASH	Big Sandy	Fallsburg	3000201	156	75	\$975,000	\$121,875	\$1,096,875	Full Circuit Reclear		
ASH	Gray's Branch	Gray's Branch	3000701	66	63	\$819,000	\$102,375	\$921,375	Full Circuit Reclear		
ASH	Olive Hill	Globe	3103101	117	75	\$875,000	\$121,875	\$1,096,875	Full Circuit Reclear		
ASH	47th Street	39th Street	3008002	13	11	\$143,000	\$17,875	\$160,875	Full Circuit Reclear		
ASH	Bellfonte	Westwood	3000302	23	21	\$273,000	\$27,300	\$300,300	Full Circuit Reclear		
RECLEARING TOTALS				Totals	1092	\$13,725,570	\$2,229,533	\$15,955,103			

EXHIBIT 3

**DISTRIBUTION VEGETATION MANAGEMENT SPRAY PLAN
KYPCO 2011**

DISTRICT	SPRAY MILES	ACRES	O&M BUDGET
PKV	371	619	\$350,000
HAZ	637	1062	\$600,000
ASH	195	325	\$202,500
Totals	1204	2006	\$1,152,500

EXHIBIT 4

