

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

November 8, 2011

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**PUBLIC SERVICE
COMMISSION**

HAND DELIVERED

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

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

RE: Case No. 2009-00459

Dear Mr. Derouen:

Enclosed please find and accept for filing the original and ten copies of Kentucky Power Company's Responses to Staff Supplemental Data Requests dated October 25, 2011.

Please do not hesitate to contact me if you have any questions.

Very truly yours,

STITES & HARBISON, PLLC



Mark R. Overstreet

MRO

cc: Dennis G. Howard II

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PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY

BEFORE THE

PUBLIC SERVICE COMMISSION OF KENTUCKY

IN THE MATTER OF:

APPLICATION OF KENTUCKY POWER)
COMPANY FOR A GENERAL ADJUSTMENT) Case No. 2009-00459
OF ELECTRIC RATES)

KENTUCKY POWER COMPANY RESPONSE TO
COMMISSION STAFF'S SUPPLEMENTAL DATA REQUESTS
LETTER DATED OCTOBER 25, 2011

November 8, 2011

Kentucky Power Company

REQUEST

Has KY Power developed a 7-year plan that will result in clearing all circuits within the system?

- a. If yes, how was the 7-year plan developed?
- b. If no, explain why not.
- c. Under either scenario, explain how the plan for each year developed and how KY Power expects to insure that all circuits will be cleared within 7-years.
- d. If not addressed above, explain the role of KY Power's local manager(s), senior management, and AEP corporate staff in the development of the 7-year plan, each annual plan, and the oversight provided.

RESPONSE

Although Kentucky Power Company ("KPCo") anticipates re-clearing vegetation from the right-of-way for all distribution circuits within seven years of the start of the enhanced Distribution Vegetation Management Plan (VMP) on July 1, 2010, it has not developed a "seven-year" plan. KPCo does not believe that a "seven-year" plan would be useful. Instead, as called for in the Unanimous Settlement Agreement approved by the Commission in Case No. 2009-00459, planning is best done on a yearly basis. Thus, KPCo currently is submitting a one-year distribution vegetation management plan for the following calendar year to the Commission on September 30 of each year. Each April 1, KPCo reports the results of the previous year's distribution vegetation management efforts to the Commission. KPCo believes this sort of process provides the most reasonable basis for distribution vegetation management planning.

- a. N/A

- b. Until the distribution circuits are re-cleared at least once, and to a more limited extent even thereafter, the changing outage performance and vegetation conditions on KPCo's distribution circuits render long-range vegetation management plans unreliable. For example, some circuits initially planned to be re-cleared in years 5-7 may have to be re-cleared several years earlier as a result of changing conditions. Likewise, KPCo may move a circuit scheduled to be re-cleared in year 3 to a later year within the initial seven year period if its performance justifies doing so.

KPCo currently is focusing its distribution vegetation management efforts on those circuits requiring a more intensive re-clearing effort than is perhaps typical for the KPCo distribution system. These include circuits that are heavily overgrown, or that have vegetation close to the conductors. In addition, KPCo also is making prudent use of spraying in re-clearing its distribution system. Thus, while the circuit miles re-cleared to date can not be extrapolated in a linear fashion to completing the re-clearing of the distribution system within the seven-year goal, KPCo believes it remains on schedule to complete the re-clearing of its system by July, 2017.

- c. KPCo's goal is to be on a four-year trim cycle by July 2017. Full-circuit re-clearing, increased cyclebuster removal rate, an aggressive ground spray program, and a Tree Growth Regulator Program will all be utilized to achieve this goal. The annual work plan is developed by the district forester with input from the district operations personnel. It is based upon circuit tree outage performance data, field inspection, customer density, customer complaints, and maintenance history.
- d. The annual VMP is developed by each district forester for his district based upon the budget provided by the Senior Forester. These work plans are discussed with local management and shared with all levels of KPCo management. Each district forester also has direct oversight of the work being performed. Work plan progress is documented monthly and reviewed once again by KPCo management and AEP corporate staff to ensure that appropriate progress is being made and that expenditures are staying on target with the budget.

WITNESS: Larry J Pemberton

Kentucky Power Company

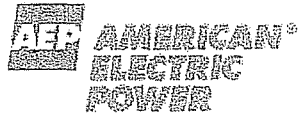
REQUEST

Provide a job description for the Foresters and discuss the role of the Foresters.

RESPONSE

Please see Page 2 of this response for a description of the Utility Forester III position. The role of the Kentucky Power foresters is to manage the district forestry programs. The foresters are involved with the overall planning of work to be accomplished, scheduling the work to be performed by contract crews, monitoring the progress of work, monitoring budgets, performing safety audits on contract tree crews, and dispatching tree crews during storm restoration efforts.

WITNESS: Larry J Pemberton



Position Description

Effective Date: 05/01/2001

| | |
|-----------------------------|------------------------------|
| Title: Utility Forester III | Business Unit: AEP UTILITIES |
| Location: Varies | Department: DISTRIBUTION |

Position Summary: Responsible for determining and recording line clearance work, contacting landowners to arrange the work, investigating and resolving their concerns, and inspecting completed contractor line clearance work.

Principal Accountabilities:

1. Patrol rights-of-way for identification of necessary line clearance, record the work on maps and make the necessary arrangements with landowners.
2. Investigate and resolve landowner concerns.
3. Assist in estimating line clearance job costs.
4. Inspect completed contract right-of-way maintenance work for contract compliance, recommending acceptance or corrective action.
5. Investigate and recommend future right-of-way maintenance requirements.
6. Operate the forestry computer programs and records systems.
7. Audit and process forestry time sheets and reports.
8. Assist in the inspection and training of contract work planners as required.
9. Promote and enforce the Company's Accident Prevention and Safety and Health programs.
10. Demonstrate the highest standards of ethical behavior and support the Company's Corporate Compliance policy.
11. Assume other duties and responsibilities as assigned.

Minimum Requirements: Bachelor Degree in Forestry, Arboriculture, or equivalent education and/or experience. Knowledge and safe use of pesticides required. Courses in horticulture and/or vegetation management desirable. Possession of Certified Pesticide Applicator's license desirable. Two years' experience as a Utility Forester IV or equivalent.

Additional Information:

Must act as a professional, employing a great deal of diplomacy to "sell" the Company's necessary right-of-way maintenance projects to the public.

Kentucky Power Company

REQUEST

How many additional Foresters were hired during the second half of 2010? How many total Foresters are employed by KY Power?

RESPONSE

KPCo added two contract forestry auditors to its staff in the second half of 2010. As of October 31, 2011, the forestry staff consisted of a KPCo Senior Forester, three KPCo district foresters, two contract utility foresters, and two contract forestry auditors.

WITNESS: Larry J Pemberton

Kentucky Power Company

REQUEST

Provide a discussion of the specific duties of the Foresters, including the following:

- a. Their role in the development of the 7-year vegetation management plan.
- b. Their role in the development of the annual vegetation management plan.
- c. Their involvement in the field in review of the VMP work.
- d. Their oversight of the contract clearing crews.

RESPONSE

- a. N/A
- b. The district foresters develop the annual vegetation management plans for their districts.
- c. The district foresters are responsible for the inspection and auditing of completed VMP work.
- d. The district foresters field-check and perform safety audits on the contract clearing crews. The district foresters maintain close communications with the contractor's field supervisors.

WITNESS: Larry J Pemberton

Kentucky Power Company

REQUEST

Explain how KY Power tracks the VMP work.

RESPONSE

VMP productivity, cost, and labor hours are tracked by AEP's Right-Of-Way Maintenance (RWM) software program from data input from the tree crews' timesheets. Completed circuit re-clearing is field verified by district foresters and tracked using one-line circuit maps.

WITNESS: Larry J Pemberton

Kentucky Power Company

REQUEST

With regard to the annual reporting, address the following:

- a. Describe the correlation between the "Cost & Units by Circuit," Attachment 1 of the April 1, 2011 report with the 2010 2nd Half KY Forestry Plan-Summary included in the May 20, 2010 plan report.
- b. Identify work that was planned but not completed. If possible, explain why such work was not completed.
- c. Identify work that was completed but not planned, If possible, explain why such work was completed.
- d. Identify the number of contract vegetation management crews.
- e. Provide and discuss the inventory of cycle buster trees.
- f. Identify and explain the nature of the work referenced as "Misc. VM exp not recorded by circuit."

RESPONSE

- a. The "Cost & Units by Circuit" report displays the expenditures, miles completed, and work units by circuit for the 2010 calendar year. The "2010 2nd Half KY Forestry Plan-Summary" report exhibits the circuit re-clearing plan scheduled for the 2nd Half of 2010. Ground spray work is not included on this document.
- b. Circuits, listed on the "2010 2nd Half KY Forestry Plan-Summary", with less than 100% estimated percent complete represent scheduled re-clearing work that was not completed. The amount of resources required to complete some of the planned circuits was underestimated. Some planned work was not completed because resources were directed to other circuits that were not included in the original plan (see c).
- c. Work that was completed but not planned was primarily performed due to tree-related outages on certain circuits (e.g-Dewey – Inez, Jackson – Pan Bowl). Unplanned work was completed on the Coleman - Peter Creek circuit due to line upgrades for a service request.

- d. The tree crew complements changes as KPCo adds crews and periodically augments in- house workforces with outsourced crews. As of October 31, 2011, Kentucky Power had 111 in- house contract tree crews and 9 temporary outsourced crews working on its distribution system.
- e. Cyclebuster trees are identified by workplanners as they plan the work. These trees are being documented with an electronic work planning tool (Arborline). This inventory will be utilized to develop interim-cycle maintenance work to trim/remove cyclebusters, and/or apply tree growth regulators.
- f. Vegetation Management expenditures not recorded by circuit include:
- Incidental, unscheduled “hotspot trimming/removal” usually associated with reliability issues, service restoration, or unsafe conditions;
 - Ground-spraying costs for kudzu locations;
 - KPCo internal labor & fleet charges;
 - Material charges for spray work (herbicides, surfactants, etc.);
 - Labor & equipment for contractor field supervision (general forepersons);
 - Labor & equipment for contract utility foresters;
& equipment for contract work planners; and
 - Incentive program for contract tree crews.

WITNESS: Larry J Pemberton

Kentucky Power Company

REQUEST

Provide a detailed explanation regarding the manner in which Kentucky Power will address "danger trees" that will require planned outages in order to be trimmed or cleared. Include in the explanation a discussion of an estimate of the number of planned outages required, an estimate of the number of customers to be affected, the manner in which affected customers will be notified, when Kentucky Power expects to institute the planned outages and the expected duration of such outages.

RESPONSE

Trees that KPCo's contract crews cannot trim or remove safely are reported to and reviewed by the forestry staff. These "danger trees" are identified by the clearing contractor as the tree crews re-clear a line segment. The number of customers impacted by the scheduled outage varies, depending on where the "danger tree" is located on a line segment. Customers will be notified about the scheduled outage via phone call (personal or DAVOX) or door hanger. The outage is scheduled to minimize the impact on customers by optimizing loading conditions, weather, and by providing enough resources to minimize the outage duration.

WITNESS: Larry J Pemberton

Kentucky Power Company

REQUEST

Identify the vegetation management clearing resources by service area: Ashland, Hazard, and Pikeville. Identify the number of company crews and the number of contract crews by contract provider. If possible, identify the number of local contractors or contract crews performing work for Kentucky Power in each service area.

RESPONSE

KPCo contract crews as of October 31, 2011:

Ashland District – 27 Asplundh crews

Pikeville District – 40 Asplundh crews + 9 Asplundh outsourced crews

Hazard District – 44 Asplundh crews

WITNESS: Larry J Pemberton