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## NEWS RELEASE

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# PSC Reports Lead to Changes in Kentucky Power Vegetation Management Practices

*Investigation followed outages during December 2009 snow storm*

**FRANKFORT, Ky. (July 9, 2010)** – The Kentucky Public Service Commission (PSC) today made public the reports from its investigation into Kentucky Power Co. (American Electric Power) after the outages following the December 2009 snow storm in eastern Kentucky.

The PSC found a disparity in the company's vegetation management practices, with more attention given to clearing vegetation from lines nearest substations. As a result, customers living farther from substations are more likely to have their electric power interrupted.

All customers are entitled to receive the same level of service, the PSC said in its reports. It recommended that Kentucky Power clear vegetation from all of its distribution lines on a regular basis, regardless of where those lines are located.

As a result of the investigation, Kentucky Power has agreed to move to regular vegetation clearing cycle in its 20-county service territory. The company has about 176,000 customers in those counties.

On Dec. 18-19, 2009, a storm dropped as much as two feet of snow on portions of eastern Kentucky. At least 116,000 customers lost power, the majority of them – 75,075 – in Kentucky Power's service territory. Most of the outages were caused by trees and limbs falling on power lines.

Three-fourths of the Kentucky Power's 35,000 customers in Pike County lost power. Full restoration of power took nearly two weeks, with the heavy snow and mountainous terrain complicating repair efforts.

Following the storms, the PSC received many complaints from Kentucky Power customers who faulted the company for not doing enough to clear vegetation from its lines. The PSC initiated an investigation in early January.

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PSC engineering inspectors examined Kentucky Power facilities in the Pikeville and Hazard areas and also met with local officials. The PSC obtained data from the company regarding outages, the extent of damage following the storm, repair efforts and vegetation management practices.

A separate report was prepared for each of the two areas. The findings in each report are essentially the same. They include:

- Kentucky Power has concentrated tree and limb removal efforts on the lines between substations and the first circuit-breaker on any given line.
- Vegetation management efforts decline in intensity with increasing distance from the substation.
- As a result, according to data provided by Kentucky Power, customers living beyond the first circuit breaker experience significantly more outages than those living closest to substations.
- Lines overgrown with vegetation not only decrease reliability, but pose a safety hazard to utility workers and the public.
- Damage to facilities during the December 2009 storm was concentrated in the areas receiving less intensive clearance of trees and limbs from power line rights-of-way.
- A substantial amount of damage during the storm was caused by trees outside the right-of-way, some of which slid 100 feet or more down mountainsides.

In order to correct the problems, the PSC inspectors recommended in March that Kentucky Power change its vegetation management practices to clearing all of its lines on a regular cycle.

In an April 15 response to the PSC, Kentucky Power said that it generally agreed with the inspection findings and recommendations. The company noted that it was proposing to move to a cycle-based vegetation clearing approach as part of a rate change application pending before the PSC at that time.

The new approach to vegetation management was incorporated in a settlement of the rate case that was approved by the PSC on June 28. Under the settlement, Kentucky Power will increase spending on vegetation management in order to begin clearing vegetation from all of its distribution lines on a four-year cycle.

The settlement also requires Kentucky Power to submit detailed vegetation management plans, provide regular progress reports and inform the PSC of any deviations from the plans. The company also is required to submit regular reports on system reliability.

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In its order accepting the settlement, the PSC noted that vegetation management was the subject of many public comments received regarding the rate case. Kentucky Power's new approach was a significant factor in accepting the agreement, the PSC said.

The PSC also said that it intends to monitor Kentucky Power's adherence to the new vegetation management plan. That monitoring may include both field inspections and reviews of reliability data.

The inspection reports and related documents are available on the PSC website at this location: <http://psc.ky.gov/agencies/psc/KYPVegMgmt/>.

The PSC order accepting the rate case settlement and other documents in the case are available on the PSC website. The case number is 2009-00459.

The PSC is an independent agency attached for administrative purposes to the Energy and Environment Cabinet. It regulates more than 1,500 gas, water, sewer, electric and telecommunication utilities operating in Kentucky and has approximately 100 employees.