

Ohio Valley Electric Corporation

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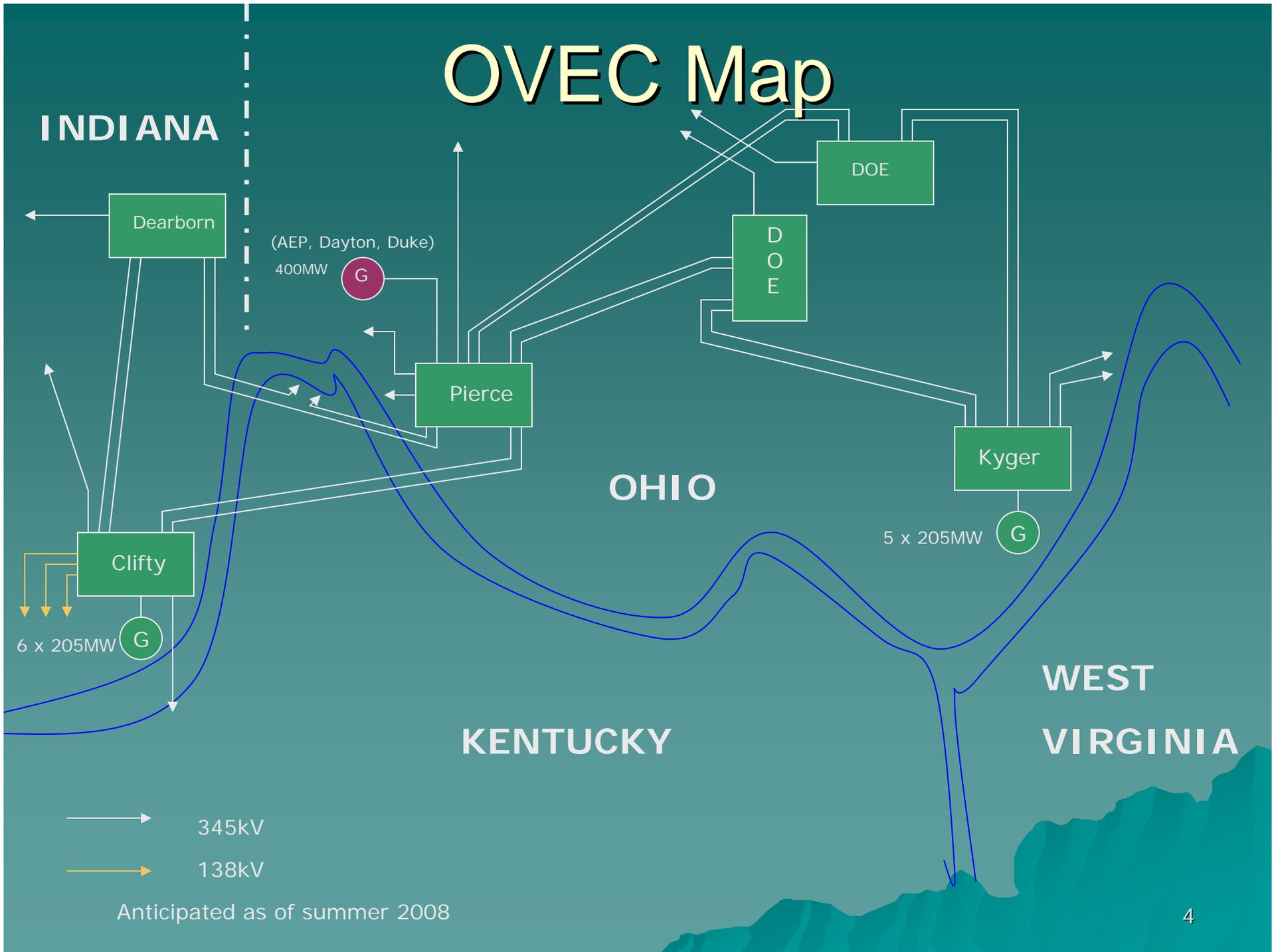
Ohio Valley Electric Corporation (OVEC)

- ◆ OVEC was formed in the early 1950s by its neighboring utilities to supply the DOE's uranium enrichment facility in Southern Ohio
- ◆ Due to its critical function, OVEC's system was designed using stringent planning criteria with multiple interconnections
 - Load served was about 2,000 MW
 - Production at facility ceased in 2001
 - Contract terminated by DOE in 2003
 - Current load at facility – approximately 30-35 MW

Ohio Valley Electric Corporation (OVEC)

- ◆ OVEC owns 2 generating stations, with approx. 2,250 MW of nameplate capacity
- ◆ OVEC has a network of approx. 776 circuit miles of 345 kV lines in Indiana, Kentucky and Ohio

OVEC Map



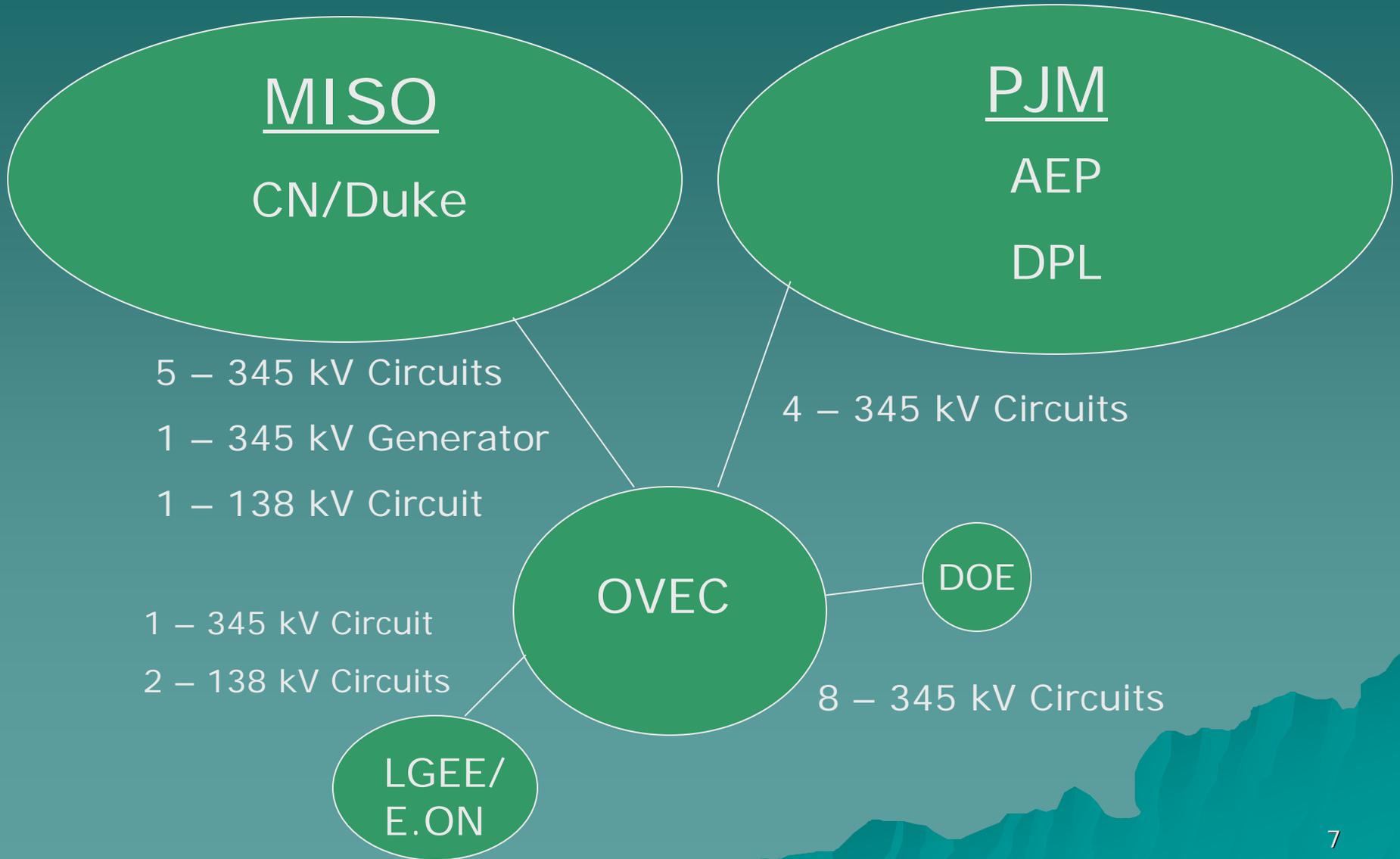
OVEC Owners

- ◆ Allegheny Energy
- ◆ American Electric Power
- ◆ Buckeye Power
- ◆ Cinergy (CN)/Duke
- ◆ Dayton Power and Light
- ◆ FirstEnergy
- ◆ LGEE/E.ON
- ◆ Southern Indiana (SI)/Vectren

OVEC Customers

- ◆ OVEC's generating capacity is committed to be sold at wholesale to its owners (or their affiliates) through 2026
- ◆ OVEC currently arranges delivery of electricity to DOE under a short-term agreement (terminable on 30 days' notice)
- ◆ Currently, no other retail, wholesale or transmission customers

OVEC Interconnections



Principle 1: Coordination

- ◆ Inherent coordination since its inception, since neighbors are OVEC owners
- ◆ Planning Committee to be formed (open to owners, customers, regulators and other stakeholders)
- ◆ Committee to hold meetings at least twice a year (spring & fall) to develop and revise OVEC's transmission plans, and discuss related issues

Principle 2: Openness

- ◆ All stakeholders given opportunity to participate (via written comments and meetings)
- ◆ Confidentiality agreement required
- ◆ Critical Energy Infrastructure Information (CEII) restrictions apply

Principle 3: Transparency

- ◆ OVEC response to Form 715 designed to allow replication of the OVEC transmission planning process
- ◆ Form 715 Part 2 Models + updates provided regarding any adjustments for latest information
- ◆ No additional detail needed – all of OVEC is part of Bulk Electric System

Principle 4: Information Exchange

- ◆ No Network Transmission customers at present
- ◆ Present focus: contracted long-term firm use
- ◆ Invite Point-to-Point, bundled retail, and any future network service customers to provide input to planning

Principle 5: Comparability

- ◆ OVEC currently is its only transmission customer
- ◆ Any future transmission customers & native load will receive comparable treatment
- ◆ Demand resources able to meet the same criteria as generation resources will be treated comparably for transmission planning purposes

Principle 6: Dispute Resolution

- ◆ Process mirrors dispute resolution under OVEC's OATT (available through website and OASIS)
 - Representatives, including Executive Management, to negotiate in good faith
 - Mediation
 - Arbitration or FERC Complaint process

Principle 7: Regional Participation

- ◆ Reliability *First* Corp. (RFC) member: coordinated models
- ◆ Participate in RFC assessment study teams
- ◆ Interact with neighboring TO's and RTO's to address mutual interests
- ◆ Evaluating
 - Generator Interconnections
 - Transmission Service Requests

Principle 8: Economic Planning Studies

- ◆ Collectively, up to 5 per year, with costs to be included in OVEC rates
- ◆ Clustered
- ◆ Costs of additional studies (above first 5 per year) assessed to requester

Principle 9: Cost Allocation for New Projects

- ◆ Not applicable for upgrades/additions to meet reliability standards
- ◆ Projects from economic planning studies – allocation to be determined by parties requesting and/or benefiting from upgrade