

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Annual Report of	:	
Ohio Valley Electric Corporation	:	
Pursuant to Rule 26 of the Electric	:	Case No. 11-1001-EL-ESS
Service and Safety Standards, Ohio	:	
Administrative Code 4901:1-10-26	:	

**ANNUAL REPORT  
OF THE OHIO VALLEY ELECTRIC CORPORATION COMPANY**

Pursuant to Rule 26 of the Electric Service and Safety Standards, Ohio, Administrative Code 4901:1-10-26, Ohio Valley Electric Corporation ("OVEC") submits the following Annual Report. The Report is attached.

We/I certify that the following Report accurately and completely reflects the Annual Report requirements pursuant to Rule 26 of the Electric Service and Safety Standards, Ohio, Administrative Code 4901:1-10-26

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D. E. Jones, Vice President-Operations  
Responsible For Transmission Reporting

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Date

**Report Date & Time: March 23, 2011 10:30 am**

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**1. 4901:1-10-26 (B)(1) Future Investment Plan For Facilities And Equipment (covering period of no less than three years)**

<b>a.</b>	<b>b.</b>	<b>c.</b>	<b>d.</b>	<b>e.</b>	<b>f.</b>	<b>g.</b>	<b>h.</b>	<b>i.</b>
<b>Identification of project/program or plan by facility, equipment, or project name</b>	<b>Transmission or distribution ("T" or "D")</b>	<b>Description of project/program and goals of planned investment</b>	<b>Portion of service territory effected</b>	<b>Characteristics of territory effected</b>	<b>Estimated cost for implementation</b>	<b>Date of initiation of program or project</b>	<b>Planned completion date</b>	<b>Actual completion date</b>

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**1.a. 4901:1-10-26 (B)(1)(a) Relevant Characteristics Of The Service Territory**

Facility Type	Total Overhead Miles	Total Underground Miles	Other Notable Characteristics
T	414	0	Historically overhead miles had been reported as double circuit miles. With reconfigurations recently completed OVEC now has a considerable amount of single circuit miles, therefore all milage has been convereted to single circuit.

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1.b 4901:1-10-26 (B)(1b) Future investment plan for facilities and equipment (covering period 2010 to 2014)

All Cost	2010		2011	2012	2013	2014
	Planned	Actual	Planned	Projected	Projected	Projected
T	\$456,000	\$585,000	\$3,408,000	\$413,000	\$384,000	\$113,000

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2. 4901:1-10-26 (B)(1)(d)&(f) Complaints From Other Entities

a.	b.	c.	d.	e.	f.	g.
Complaint(s) from other electric utility companies, regional transmission entity, or competitive retail electric supplier(s) (list individually)	Date complaint received	Nature of complaint	Action taken to address complaint	Complaint resolved (Yes or No)	Date resolved	If unresolved give explanation why

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**3.a. 4901:1-10-26 (B)(1)(e) Electric Reliability Organization Reliability Standards Violation**

<b>Standard number violated</b>	<b>Standard name violated</b>	<b>Date of violation</b>	<b>Violation risk factor</b>	<b>Violation severity factor</b>	<b>Total amount of penalty dollars</b>	<b>Description</b>
FAC-009 R1	Establish and Communicate Facility Ratings	06/09/2010	Lower			OVEC underwent a Compliance Audit in June. This was a Possibly Violation. We are working with RFC Enforcement on a resolution.
TPL-001 R1	System Performance Under Normal Conditions	06/11/2010	Medium			OVEC underwent a Compliance Audit in June. This was a Possibly Violation. We are working with RFC Enforcement on a resolution.
TPL-002 R1	System Performance Following Loss of a Single BES Element	06/11/2010	Medium			OVEC underwent a Compliance Audit in June. This was a Possibly Violation. We are working with RFC Enforcement on a resolution.
TPL-003 R1	System Performance Following Loss of Two or More BES Elements	06/11/2010	Medium			OVEC underwent a Compliance Audit in June. This was a Possibly Violation. We are working with RFC Enforcement on a resolution.

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**3.b. 4901:1-10-26 (B)(1)(e) Regional Transmission Organization (RTO) Violations**

Name of RTO violation	Description

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**3.c. 4901:1-10-26 (B)(1)(e) Transmission Load Relief (TRL)**

TLR Event Start	TLR Event End	Highest TLR level during event	Firm load interrupted	Amount of load (MW) interrupted	Description



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**3.d. 4901:1-10-26 (B)(1)(e) Top Ten Congestion Facilities By Hours Of Congestion**

Rank	Description of facility causing congestion

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**3.e. 4901:1-10-26 (B)(1)(e) Annual System Improvement Plan And Regional Transmission Operator (RTO) Expansion Plan**

Relationship between annual system improvement plan and RTO transmission expansion plan

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**4. 4901:1-10-26 (B)(2) Report Of Implementation Plan From Previous Reporting Period**

a.	b.	c.	d.	e.	f.
Identification of previously planned action	Transmission or Distribution ("T" or "D")	Planned completion date	Actual completion date of action	Identification of deviation(s) from goals of previous plan	Reason(s) for each identified deviation
Circuit Breaker Replacement	T	12/23/2011		Updated planned end date	Reflect delays due to scheduling work with unit outages.
Circuit Breaker Replacement	T	12/23/2012		Updated planned start and end dates.	Delays in estimated completion of phase one replacement of the initial group of eight breakers. Coordination of work with unit outages.

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**5. 4901:1-10-26 (B)(3)(a) Characterization Of Condition Of Company's System**

	a.	b.
Type of System	Qualitative characterization of condition or system	Explanation of criteria used in making assessment for each characterization
T	<p>The transmission facilities of Ohio Valley Electric Corporation continue to be maintained with the goal of maintaining the high level of reliability for which it has been noted. All of our transmission towers have been recently painted to protect them from deterioration. Structural steel in our substations has also been recently painted. Of the two substations we currently have in Ohio, one has had all the 345kV circuit breakers replaced. Protection and control equipment was replaced at the same time. We are currently in the process of performing the same work at the other Ohio substation. As reported last year, the third substation we had in Ohio has been deactivated and removed as part of AEP's reinforcement of their 138kV system in southern Ohio.</p>	<p>OVEC owns and operates a high voltage transmission system operating at 345kV that extends across the southern portions of Ohio, northern Kentucky, and southern Indiana. Approximately 242 double circuit 345kV transmission lines are located in Ohio along with two substations. These substations, along with two others located in Indiana, provide interconnections with our owning utilities and provide for the exchange of bulk power. OVEC's transmission system continues to perform well since it was designed to support the high loads of the Department of Energy's Gaseous Diffusion Uranium Enrichment Plant that ceased production in 2003. Since that time, OVEC has used its transmission system to reliably deliver our generating capability to our owners who are other utilities that operate both within and outside of the state of Ohio.</p>

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**6. 4901:1-10-26 (B)(3)(b) Safety and Reliability Complaints**

	<b>a.</b>
<b>Type of system</b>	<b>Total number of safety &amp; reliability complaints received directly from customers</b>
T	0

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**6.a. 4901:1-10-26 (B)(3)(b) Safety and Reliability Complaints Detailed Report**

	1.	2.	3.	4.	5.	6.	7.
Type of system	Availability of service	Damage	Momentary interruption	Out of service	Quality of utility product	Repair service	Public safety
T	0	0	0	0	0	0	0

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7.a. 4901:1-10-26 (B)(3)(c) Transmission Capital Expenditures - Reliability Specific

Account \ SubAccount	2010 budget	Budget as percent of investment	2010 actual	Actual as percent of investment	2011 budget	Current as percent of investment	Explanation of variance if over 10%
Construction Activities	304,412	0.64%	133,934	0.28%	3,408,000	7.21%	Work is still planned; issues with scheduling facility outages.

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**7.b. 4901:1-10-26 (B)(3)(c) Transmission Maintenance Expenditures - Reliability Specific**

<b>Account \ SubAccount</b>	<b>2010 Budget</b>	<b>Budget as percent of investment</b>	<b>2010 Actual</b>	<b>Actual as percent of investment</b>	<b>2011 Budget</b>	<b>Current as percent of investment</b>	<b>Explanation of variance if over 10%</b>
Maintenance Activities	1,454,000	3.08%	1,234,000	2.61%	1,446,000	3.06%	Less storm damage than expected requiring less contractor support for transmission line maintenance. Credit to substations due to scrape associated with improvements. Scrape credits maintenance accounts.



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**8.a. 4901:1-10-26 (B)(3)(d) Distribution Capital Expenditures - Reliability Specific**

<b>Account \ SubAccount</b>	<b>Budget</b>	<b>Budget as percent of investment</b>	<b>Actual</b>	<b>Actual as percent of investment</b>	<b>Budget</b>	<b>Current as percent of investment</b>	<b>Explanation of variance if over 10%</b>
		0.00%		0.00%		0.00%	

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**8.b. 4901:1-10-26 (B)(3)(d) Distribution Maintenance Expenditures - Reliability Specific**

<b>Account \ SubAccount</b>	<b>Budget</b>	<b>Budget as percent of investment</b>	<b>Actual</b>	<b>Actual as percent of investment</b>	<b>Budget</b>	<b>Current as percent of investment</b>	<b>Explanation of variance if over 10%</b>
		0.00%		0.00%		0.00%	

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**9. 4901:1-10-26 (B)(3)(e) Average Remaining Depreciation Life Of Distribution And Transmission Facilities**

a.	b.	c.	d.	e.	f.	g.	h.
Transmission or distribution ("T" or "D")	Asset Type	Asset's assigned FERC subaccount (account/sub account)	Total depreciable life of asset	Total depreciated life of asset	Total remaining life of asset	Percent of average remaining depreciation life of asset	Depreciation of how age was determined
T			0	0.00	0	0.00%	

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**10. 4901:1-10-26 (B)(3)(f)(i) & (ii) Inspection, Maintenance, Repair And Replacement Distribution, Transmission And Substation  
Programs Summary Report**

a.	b.	c.	d.	e.
Transmission "T", distribution "D", transmission substation "TS", or distribution substation "DS"	Program name	Program goals	Achieve ("Y" or "N")	Summary of findings
T	ROW Mechanical Clearing	Mechanically clear 130 acres of ROW	Y	Mowing and side trimming
T	ROW Side Trimming	ROW Side Trimming	Y	Trimming edge of ROW
T	ROW Treatment	Herbicide treatment of 300 acres of ROW	Y	Herbicide application to ROW

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**10.a. 4901:1-10-26 (B)(3)(f)(i) If Response In Column "d" Of Report 10 Is "Yes"**

1.	2.	3.	4.	5.
Program name	Explanation of how goal were achieved	Description of extent of achievement	Quantitative description of goal in either numerical values or percentages	Quantitative description of actual performance in either numerical values or percentages
ROW Mechanical Clearing  GOAL - Mechanically clear 130 acres of ROW	Mechanical clearing of ROW on the Kyger-X530 345kV circuit.	Mow 130 acres of ROW on the Kyger-X530 345kV circuit.	100% of target was achieved by use of contract crews.	231 acres of ROW was mechanically cleared. 177% of goal.
ROW Side Trimming  GOAL - ROW Side Trimming	Use of contract crews	Side trim the Pierce-X533 345kV lines ROW.	This is ongoing work with an annual estimated cost of \$75,000.	Work is ongoing with an expenditure last year of \$77,750.
ROW Treatment  GOAL - Herbicide treatment of 300 acres of ROW	Contract Crews	Herbicide treatment of 300 acres of ROW on the Kyger-X533 345kV line.	100% of the goal was achieved by use of contract crews.	318 acres of ROW on the Kyger-X533 345kV line was treated. 106%

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**10b. 4901:1-10-26 (B)(3)(f)(i) If Response In Column "D" Of Report 10 Is "No"**

1.	2.	3.	4.	5.
Program name	Cause(s) for not achieving goal(s)	Description of level of completion of goal	Quantitative description of goal in either numerical values or percentages	Quantitative description of level of completion of goal in either numerical values or percentages

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**10.c. 4901:1-10-26 (B)(3)(f)(iii) Remedial Activity**

1.	2.	3.	4.	5.	6.	7.
Program name	Transmission "T", distribution "D", transmission substation "TS", or distribution substation "DS"	Program finding(s) causing remedial activity	Remedial activity performed	Actual completion date	Remedial activity yet to be performed	Estimated completion date
ROW Mechanical Clearing  GOAL - Mechanically clear 130 acres of ROW	T					
ROW Side Trimming  GOAL - ROW Side Trimming	T					
ROW Treatment  GOAL - Herbicide treatment of 300 acres of ROW	T					

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**10.d. 4901:1-10-26 (B)(3)(f) Current Year Goals**

1.	2.	3.
Transmission "T", distribution "D", transmission substation "TS", or distribution substation "DS"	Program name	Program goals
T	ROW Treatment	Mechanically clearing 150 acres of ROW



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**11. 4901:1-10-26 (B)(3)(f)(iv) Prevention Of Overloading Or Excessive Loading Of Facilities And Equipment Program(s)**

a.	b.	c.
Transmission or Distribution ("T" or "D")	Program or plan name	Program Description

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**12. 4901:1-10-26 (B)(3)(f)(v) Actions To Remedy Overloading Or Excessive Loading Of Equipment And Facilities**

a.	b.	c.	d.	e.	f.	g.
Transmission or distribution ("T" or "D")	Sub/Circuit name	Date overloading identified	Plans to remedy overloading	Estimated completion date	Action(s) already taken to remedy overloading	Actual completion date

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**13. 4901:1-10-26 (B)(3)(f)(vi) Programs Deleted**

a.	b.
Transmission "T", distribution "D", transmission substation "TS", or distribution substation "DS"	Deleted program name

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**14. 4901:1-10-26 (B)(3)(f)(vi) Programs Modified**

a.	b.
Transmission "T", distribution "D", transmission substation "TS", or distribution substation "DS"	Modified program name

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**15. 4901:1-10-26 (B)(3)(f)(vi) Program Added**

a.	b.
Transmission "T", distribution "D", transmission substation "TS", or distribution substation "DS"	Added program name

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**16. 4901:1-10-26 (B)(4) Service Interruptions Due To Other Entity**

a.	b.	c.	d.	e.	f.	g.
Date of interruption	Time of interruption	Type of entity causing interruption	Name of entity causing the interruption	Impact on transmission or distribution ("T" or "D")	Sub/Circuit(s) interrupted	Cause(s) of interruption of service

**This foregoing document was electronically filed with the Public Utilities**

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**in**

**Case No(s). 11-1001-EL-ESS**

Summary: Report electronically filed by Mr. Robert J Matthey on behalf of Ohio Valley Electric Corporation and Mr. David E Jones