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BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

Case No. 12-1001-EL-ESS

In the Matter of the Annual Report of
Ohio Valley Electric Corporation
Pursuant to Rule 26 of the Electric
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


J.D. Brodt, Secretary and Treasurer
Responsible For Transmission Reporting

Report Date & Time: April 02, 2012 9:00 am

Date

4/2/2012

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Technician ie Date Processed APR 10 2012

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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)

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

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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	

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1.b 4901:1-10-26 (B)(1b) Future investment plan for facilities and equipment (covering period 2011 to 2015)

All Cost	2011		2012	2013	2014	2015
	Planned	Actual	Planned	Projected	Projected	Projected
T	\$3,408,000	\$3,400,000	\$1,139,000	\$504,000	\$476,000	\$5,373,000

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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

Standard number violated	Standard name violated	Date of violation	Violation risk factor	Violation severity factor	Total amount of penalty dollars	Description
CIP-002-1; R3	Cyber Security — Critical Cyber Asset Identification	06/11/2010	Lower	Level 1	16,500	Penalty includes CIP-002; 007; and 008 violations found during 2010 Compliance Audit. CIP-007 and 008 report in EROViolationIDs 8 and 9.
CIP-007-1; R1	Cyber Security — Systems Security Management	06/11/2010	Medium	Level 1	16,500	Penalty includes CIP-002; 007; and 008 violations found during 2010 Compliance Audit. CIP-002 and 008 report in EROViolationIDs 7 and 9.
CIP-008-1 R1.6	Cyber Security — Incident Reporting and Response Planning	06/11/2010	Lower	Level 1	16,500	Penalty includes CIP-002 007 and 008 violations found during 2010 Compliance Audit. CIP-002 and 007 report in EROViolationIDs 7 and 8.
COM-002-2; R2	Communication and Coordination	02/01/2010	Medium	Level 1	15,000	Self report; Penalty includes both COM-002 and VAR-002 reported under EROViolationID 5.
VAR-002-1.1a R1	Generator Operation for Maintaining Network Voltage Schedules	10/18/2009	Medium	Level 1	15,000	Self report Penalty includes both the VAR-002 violation and the COM-002 violation reported in EROViolation ID 6

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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)

TRL Event Start	TRL 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	11/22/2011	Project completed	Reflect project to reflect completion.
Circuit Breaker Replacement	T	06/01/2013		Updated planned start and end dates.	Coordination of work with unit outages and recent storm damage necessitated reallocation of manpower.

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

Type of System	a. Qualitative characterization of condition or system	b. Explanation of criteria used in making assessment for each characterization
T	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.	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.

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

	a.
Type of system	Total number of safety & reliability complaints received directly from customers
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

Total transmission Investment = \$47,694,088

Account \ SubAccount	2011 budget	Budget as percent of investment	2011 actual	Actual as percent of investment	2012 budget	Current as percent of investment	Explanation of variance if over 10%
Construction Activities	3,390,638	7.11%	1,078,709	2.26%	504,040	1.06%	OVEC has ordered the additional 345kV circuit breakers for the breaker replacement project at our Kyger Substation but have not been billed as of the end of 2011.

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

Total transmission investment = \$47,694,088

Account \ SubAccount	2011 Budget	Budget as percent of investment	2011 Actual	Actual as percent of investment	2012 Budget	Current as percent of investment	Explanation of variance if over 10%
Maintenance Activities	1,485,223	3.11%	1,594,034	3.34%	1,788,440	3.75%	

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

Total distribution investment =

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

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

Total distribution investment =

Account \ SubAccount	Budget	Budget as percent of investment	Actual	Actual as percent of investment	Budget	Current as percent of investment	Explanation of variance if over 10%
		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 345kV ROW on a time and material basis.	Y	Mowing ROW
T	ROW Side Trimming	ROW side trimming on 345kV circuits	Y	Trimming edge of ROW
T	ROW Treatment	Herbicide treat 140 acres of ROW	Y	Herbicide application on 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 345kV ROW on a time and material basis.	Use of contract crews	Contracted to clear by mechanical means portions of the Kyger-Pierce; Kyger-X530; Pierce-X530; and Kyger-Pierce 345kV lines ROW.	Estimated 2011 expenditure for this work was \$160,000	Actual expenditure for this work in 2011 was \$165,700
ROW Side Trimming GOAL - ROW side trimming on 345kV circuits	Use of contract crews	Side trim areas of the Kyger-X530 345kV line ROW	Ongoing work with an estimated expenditure of \$80,000 for 2011	Ongoing work with an actual expenditure of \$82,057
ROW Treatment GOAL - Herbicide treat 140 acres of ROW	Use of contract crews	Herbicide treatment of 140 acres of ROW on the Dearborn-Pierce and Clifty-Pierce 345kV lines	Met goal of treating 140 acres of ROW	Treated 144 acres; 103% of goal.

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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 345kV ROW on a time and material basis.	T					
ROW Side Trimming GOAL - ROW side trimming on 345kV circuits	T					
ROW Treatment GOAL - Herbicide treat 140 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

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