

**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  
Service and Safety Standards, Ohio  
Administrative Code 4901:1-10-26

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Case No. 13-1001-EL-ESS

**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, CFO-Secretary and Treasurer

08 April 24 13

Date

Responsible For Transmission Reporting

Report Date & Time: April 08, 2013 8:13 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	

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1.b 4901:1-10-26 (B)(1b) Future investment plan for facilities and equipment (covering period 2012 to 2016)

All Cost	2012		2013	2014	2015	2016
	Planned	Actual	Planned	Projected	Projected	Projected
T	\$718,351	\$675,809	\$504,000	\$274,500	\$2,700,000	\$107,000

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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-004-3 R2	Cyber Security - Personnel & Training	10/24/2011	Lower	Find-Fix-Track-Report	0	An employee was accidentally granted authorized un-escorted physical access to one or more of our designated PSPs without having the required training or PRA.
CIP-004-3 R3	Cyber Security - Personnel & Training	10/24/2011	Lower	Find-Fix-Track-Report	0	An employee was accidentally granted authorized un-escorted physical access to one or more of our designated PSPs without having the required training or PRA.
CIP-005-3 R4	Cyber Security-Electronic Security Perimeter	03/10/2011	Lower	Find-Fix-Track-Report	0	OVEC did not complete its annual Cyber Vulnerability Assessment within the required time frame. The assessment was completed one month late due to delayed software upgrades. Self Reported
CIP-007-3 R5	Cyber Security-System Security Management	05/01/2012	RFC Ruling is pending			OVEC failed to utilize passwords consisting of a combination of alpha, numeric, and special characters-RFC ruling is pending
CIP-007-3 R8	Cyber Security-System Security Management	03/10/2011	Lower	Find-Fix-Track-Report	0	OVEC did not complete its annual Cyber Vulnerability Assessment within the required time frame. The assessment was completed one month late due to delayed

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						software upgrades. Self Reported
CIP-007-3 R9	Cyber Security-System Security Management	05/01/2012	RFC Ruling is pending			OVEC failed to annually review and update all documentation as specified

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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**

<a href="#">Relationship between annual system improvement plan and RTO transmission expansion plan</a>

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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	12/31/2013		Updated planned end date.	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**

	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.</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

Total transmission Investment = \$47,748,711

Account \ SubAccount	2012 budget	Budget as percent of investment	2012 actual	Actual as percent of investment	2013 budget	Current as percent of investment	Explanation of variance if over 10%
Construction Activities	718,351	1.50%	675,809	1.42%	504,000	1.06%	



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

Total transmission investment = \$47,748,711

Account \ SubAccount	2012 Budget	Budget as percent of investment	2012 Actual	Actual as percent of investment	2013 Budget	Current as percent of investment	Explanation of variance if over 10%
Maintenance Activities	2,564,722	5.37%	2,616,221	5.48%	3,654,381	7.65%	

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**8.a. 4901:1-10-26 (B)(3)(d) 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 300 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 Pierce-X530, Kyger-X530, Clifty-Pierce, Pierce-Kyger, and the Dearborn-Pierce circuits	Estimated 2012 expenditure for this work was \$75,000	Actual expenditure for this work in 2012 was \$75,182
ROW Side Trimming  GOAL - ROW side trimming on 345kV circuits	Use of contract crews	Side trim areas of the Pierce-Kyger, and the Kyger-X530 #1 and #2 circuits ROW	Ongoing work with an estimated expenditure of \$225,000	Ongoing work with an actual expenditure of \$225,809
ROW Treatment  GOAL - Herbicide treat 300 acres of ROW	Use of contract crews	Herbicide treatment of 300 acres of ROW on the Kyger-X530 #1 and #2 circuits	Met goal of treating 300 acres of ROW	Treated 306 acres; 102% 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 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

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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**

**Commission of Ohio Docketing Information System on**

**4/9/2013 9:13:14 AM**

**in**

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Summary: Annual Report electronically filed by Mr. Robert J Matthey on behalf of Jones, David E Mr.