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OHIO VALLEY ELECTRIC CORPORATION
INDIANA- KENTUCKY ELECTRIC CORPORATION

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(740) 289-7200

WRITER'S DIRECT DIAL NO:
(740) 289-7212

10-1001-EL-ESS

March 30, 2010

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

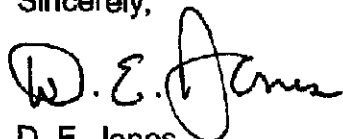
Ms. Kim Wissman
Deputy Director
Public Utilities Commission of Ohio
180 East Broad Street
Columbus, OH 43215-3793

Dear Ms. Wissman:

In compliance with rule 4901:1-10-26 and 4901:1-10-27(D) of the Administrative Code, Ohio Valley Electric Corporation is submitting our annual report regarding system improvements and transmission and distribution facilities inspections for the year 2009. Additional spreadsheets included with this submittal are those in support of Rule 26(B)(1)(e) and Rule 27(C)(2)(k)-(l). This report is due by March 31, 2010.

If I can be of further assistance, please contact me at the direct dial telephone number listed above or R. J. Matthey at (740) 289-7217.

Sincerely,



D. E. Jones
Vice President-Operations

DEJ: klr

Enclosure

c: R. Matthey
J. Cross - PUCO
F. Heizer - PUCO
D. Hart- AEP (w/out Enclosure)

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2010 APR 26 PM 3:33
PUCO

**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

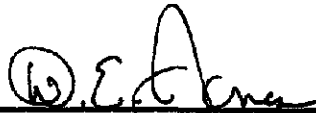
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Case No. 10-1001-EL-ESS

**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



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

3-29-10

Date

Report Date & Time: March 24, 2010 2:20 pm

**Ohio Valley Electric Corporation
Rule #26
2009
Electric Service And Safety Standards**

1. 4901:1-10-26 (B)(1)(a)&(b)&(c) 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	Expected completion date	Changes to previous year's plan or project

Ohio Valley Electric Corporation
Rule #26
2009
Electric Service And Safety Standards

1.a 4901:1-10-26 (B)(1)(a)&(b)&(c) Future investment plan for facilities and equipment (covering period 2009 to 2013)

All Cost	2009		2010	2011	2012	2013
	Planned	Actual	Planned	Projected	Projected	Projected
T	\$673,000	\$585,000	\$445,000	\$3,479,000	\$38,000	2,775,000

**Ohio Valley Electric Corporation
Rule #26
2009
Electric Service And Safety Standards**

2. 4901:1-10-26 (B)(1)(d)&(e) 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 complaints	Action taken to address complaint	Complaint resolved (Yes or No)	Date resolved	If unresolved give explanation why
None	01/01/2009	None	N/A	Yes	01/01/2009	N/A

Ohio Valley Electric Corporation
Rule #26
2009
Electric Service And Safety Standards

3. 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	04/01/2011		Updated planned end date	Reflect engineering delays impacting planned end date
Circuit Breaker Replacement	T	04/01/2012		Updated planned start and end dates; changed scope to exclude on breaker that is owned by another utility.	Delays in estimated completion of phase one; replacement of the initial group of eight breakers

Ohio Valley Electric Corporation
Rule #26
2009
Electric Service And Safety Standards

4. 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>

Ohio Valley Electric Corporation
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5. 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

Ohio Valley Electric Corporation
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2009
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5.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

**Ohio Valley Electric Corporation
Rule #26
2009
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6. 4901:1-10-26 (B)(3)(c) Transmission expenditures

a.	b.	c.	d.	e.
Total transmission investment dollars	Dollars spent for transmission construction	Ratio of expenditures to total transmission investment	Dollars spent for transmission maintenance	Ratio of expenditures to total transmission investment
\$47,236,078	\$0	0.00%	\$1,678,015	3.55%

Ohio Valley Electric Corporation
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2009
Electric Service And Safety Standards

7. 4901:1-10-26 (B)(3)(c) Distribution expenditures

a.	b.	c.	d.	e.
Total distribution investment dollars	Dollars spent for distribution construction	Ratio of expenditures to total distribution investment	Dollars spent for distribution maintenance	Ratio of expenditures to total distribution investment
		0.00%		0.00%

Ohio Valley Electric Corporation
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8. 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			0.00	0.00	0.00	0.00	

Notes

Asset tables are empty. All of OVECs assets are fully depreciated.

**Ohio Valley Electric Corporation
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Electric Service And Safety Standards**

9. 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 200 acres of ROW	Y	Mowing and side trimming
T	ROW Side Trimming	ROW Side Trimming	Y	Trimming edge of ROW
T	ROW Treatment	Treat 430 acres of ROW with herbicides	Y	Herbicide application to ROW

**Ohio Valley Electric Corporation
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Electric Service And Safety Standards**

9a. 4901:1-10-26 (B)(3)(f)(i) If response in column "d" of Report 9 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 200 acres of ROW	Contract crews were used to cut the ROW	Contractor was used to clear 205 acres of ROW on the Dearborn-Pirece 345kV line. An additional 81 acres is being done on the Clifty-Dearborn 345kV line.	100% of goal was met.	102% of goal for mechanical clearing of ROW was performed.
ROW Side Trimming GOAL - ROW Side Trimming	Use of contract crews	Side trim 687,796 sq ft of the Pierce-X530 and X533 345kV lines ROW	No target was projected for this work last year. Work is ongoing.	No target projected. Work is ongoing.
ROW Treatment GOAL - Treat 430 acres of ROW with herbicides	Goal was achieved by use of contract crews	Contractor treated 435.93 acres of ROW on the Pierce-X533 345kV line.	100% of goal was met	101% of goal for herbicide treatment of ROW was performed.

**Ohio Valley Electric Corporation
Rule #26
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Electric Service And Safety Standards**

9b. 4901:1-10-26 (B)(3)(f)(i) If response in column "d" of Report 9 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

**Ohio Valley Electric Corporation
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9.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 200 acres of ROW	T					
ROW Side Trimming GOAL - ROW Side Trimming	T					
ROW Treatment GOAL - Treat 430 acres of ROW with herbicides	T					

**Ohio Valley Electric Corporation
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9.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 Mechanical Clearing	Mechanically clear 130 acres of ROW
T	ROW Treatment	Herbicide treatment of 300 acres of ROW

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10. 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

**Ohio Valley Electric Corporation
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11. 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

**Ohio Valley Electric Corporation
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Electric Service And Safety Standards**

12. 4901:1-10-26 (B)(3)(g)(I) Programs Deleted

a.	b.	c.
Transmission "T", distribution "D", transmission substation "TS", or distribution substation "DS"	Deleted program name	Explanation for elimination of program

**Ohlo Valley Electric Corporation
Rule #26
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Electric Service And Safety Standards**

13. 4901:1-10-26 (B)(g)(g)(ii) Programs modified

a.	b.	c.	d.
Transmission "T", distribution "D", transmission substation "TS", or distribution substation "DS"	Modified program name	Explanation of modifications(s) to program	Anticipated effects on program as result of modification(s)

**Ohio Valley Electric Corporation
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14. 4901:1-10-26 (B)(3)(g)(iii) Program added

a.	b.	c.	d.
Transmission "T", distribution "D", transmission substation "TS", or distribution substation "DS"	Added program name	Explanation of additional program's purpose	Expected goals for additional program

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15. 4901:1-10-26 (B)(4) Planned and unplanned interruptions of service

a.	b.	c.	d.	e.
Type of system	Number of planned interruptions	Duration of planned interruptions (In minutes)	Number of unplanned interruptions	Duration of unplanned interruptions (in minutes)
T	0	0	0	0

Ohio Valley Electric Corporation
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15a. 4901:1-10-26 (B)(4) Voltage measurements

	a.
Type of system	Sampling of voltage measurements for the reporting period
T	Real time monitoring

**Ohio Valley Electric Corporation
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Electric Service And Safety Standards**

16. 4901:1-10-26 (B)(5) 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

Function Code Title	Construction						Maintenance						Explanation of Current Year Budget to Actual Variances Greater than 10 Percent
	Past Year's	Past Year's	Current Year's	Current Year's	\$ Variance	\$ Variance	Past Year's	Past Year's	Current Year's	Current Year's	\$ Variance		
	Budget	Actual					Budget	Actual				Budget	
	955,650	783,473					170,177	899,502					
	422,999	447,584					-24,585	413,600					
	107,846	101,801					5,845	108654					
	88,992	73,831					25,161	75,696					
	953,888	820,801					132,887	829,112					
	144,196	109,872					34,324	149,416					

ESSS Rule 26 (B)(1)(e)

[illegible]

ESSS Rule 26 (B)(1)(e)

[illegible]

ESSS Rule 26 (B)(1)(e)

[illegible]

ESSS Rule 26 (B)(1)(e)

		Reporting Period	
Top Ten Congested Facilities	Company Name	Begin Date	Congested Facilities
1	Ohio Valley Electric Corporation	1/1/09 12:00 AM	None
2			
3			
4			
5			
6			
7			
8			
9			
10			

ESSS Rule 26 (B)(1)(e)

		Reporting Period
Company Name	Begin Date	Decription of the relationship between Annual System Improvement and Plan TRO Transmission Expansion Plan
Ohio Valley Electric Corporation	1/1/09 12:00 AM	OVEC is not a member of an RTO