

**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

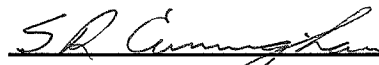
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Case No. 14-1001-EL-ESS

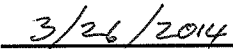
**ANNUAL REPORT  
OF THE OHIO VALLEY ELECTRIC CORPORATION COMPANY**

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



S. R. Cunningham, Electrical Operations Director  
Responsible For Transmission Reporting



Date

**Report Date & Time: March 26, 2014 12:57 pm**

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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 2013 to 2017)

All Cost	2013		2014	2015	2016	2017
	Planned	Actual	Planned	Projected	Projected	Projected
T	\$299,996	\$240,164	\$941,425	\$2,700,000	\$107,000	\$120,000

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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>
CIP-003-1 R6	Cyber Security - Security Management Controls	07/09/2013	Lower	Not Yet Assigned		OVEC failed to provide sufficient evidence that supporting configuration management and configuration management processes are implemented
CIP-004-2 R4	Cyber Security - Personnel and Training	07/09/2013	Lower	NERC Mitigation Plan ID: RFCMIT009891		OVEC failed to provide sufficient evidence to demonstrate that access privileges are reviewed on a quarterly basis and that access privileges are updated within seven calendar days of any change in personnel.
CIP-004-3 R4	Cyber Security - Personnel and Training	01/16/2013	Lower	NERC Mitigation ID: RFCMIT008692		OVEC failed to adequately maintain list of personnel with authorized unescorted physical access to Critical Cyber Assets. Self Reported
CIP-005-3a R5	Cyber Security-Electronic Security Perimeter(s)	03/13/2013	Lower	NERC Mitigation ID: RFCMIT009084		OVEC failed to update documentation reflecting the modification of the network or control within ninety calendar days of the change. Self Reported
CIP-006-1 R2	Cyber Security - Physical Security of Critical Cyber Assets	07/09/2013	Medium	Not Yet Assigned		OVEC failed to properly declare and protect the Physical Access Control System control panels or the administration workstation, both of which are used to authorize and/or log access, in accordance

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						with CIP-006 R2.2.
CIP-007-1 R3	Cyber Security-System Security Management	04/16/2013	Lower	NERC Mitigation Plan ID: RFCMIT009081- 1		OVEC failed to adequately establish, document and implement a security patch management program for tracking, evaluating, testing, and installing applicable cyber security software patches for all Cyber Assets within the Electronic Security Perimeter(s).Self Reported
CIP-007-1 R6	Cyber Security-System Security Management	04/16/2013	Lower	NERC Mitigation Plan ID RFCMIT009087- 1		OVEC failed to either ensure that all Cyber Assets within the Electronic Security Perimeter implement automated tools or organizational process controls to monitor system events related to cyber security or else file a TFE. Self Reported
CIP-007-2a R1	Cyber Security-System Security Management	07/03/2013	Medium	NERC Mitigation Plan ID: RFCMIT009770		OVEC failed to provide sufficient evidence demonstrating it implemented its cyber security test procedure. Additionally, the entity failed to ensure that significant changes to existing Cyber Assets within the Electronic Security Perimeter do not adversely affect existing cyber security controls.
CIP-007-2a R3	Cyber Security-System Security Management	07/03/2013	Lower	NERC Mitigation Plan ID: RFCMIT009823		OVEC failed to provide sufficient evidence demonstrating it implemented its cyber security test procedure. Additionally, the entity failed to ensure that significant changes to existing Cyber Assets within the Electronic Security Perimeter do not adversely affect existing cyber security controls.

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CIP-007-2a R5	Cyber Security-System Security Management	07/03/2013	Medium	NERC Mitigation Plan ID: RFCMIT009825		OVEC failed to maintain an audit trail of shared account use for one shared account. Specifically, the entity has four individuals with access to this shared account, but failed to maintain an audit trail of account use for this shared account.
CIP-007-3a R5	Cyber Security - Systems Security Management	03/13/2013	Medium	NERC Mitigation Plan ID: RFCMIT009086		OVEC failed to either use anti-virus software prevention tools or else request a TFE. Self Reported
CIP-008-3 R1	Cyber Security-Incident Reporting and Response Planning	04/16/2013	Lower	NERC Mitigation Plan ID: RFCMIT009085-1		OVEC failed to adequately develop and maintain a Cyber Security Incident response plan and implement the plan in response to Cyber Security Incidents. Self Reported
CIP-009-1 R5	Cyber Security - Recovery Plans for Critical Cyber Assets	07/10/2013	Lower	NERC Mitigation Plan ID: RFCMIT010419		OVEC failed to demonstrate that backup media was tested annually to ensure information is available in accordance with the requirements of CIP-009 R5.
CIP-009-2 R2	Cyber Security - Recovery Plans for Critical Cyber Assets	07/10/2013	Lower	NERC Mitigation ID: RFCMIT010009		OVEC failed to provide sufficient evidence that recovery plans were exercised at least annually.
CIP-009-3 R1	Cyber Security - Recovery Plans for Critical Cyber Assets	04/16/2013	Medium	NERC Mitigation Plan ID: RFCMIT009082-1		OVEC failed to annually review recovery plants for Critical Cyber Assets. Self Reported



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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	12/31/2014		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**

	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 = \$47,748,711

Account \ SubAccount	2013 budget	Budget as percent of investment	2013 actual	Actual as percent of investment	2014 budget	Current as percent of investment	Explanation of variance if over 10%
Construction Activities	299,996	0.63%	240,164	0.50%	941,425	1.97%	

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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	2013 Budget	Budget as percent of investment	2013 Actual	Actual as percent of investment	2014 Budget	Current as percent of investment	Explanation of variance if over 10%
Maintenance Activities	3,224,146	6.75%	2,869,333	6.01%	3,276,833	6.86%	

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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 2013 expenditure for this work was \$40,000	Actual expenditure for this work in 2012 was \$113,678
ROW Side Trimming  GOAL - ROW side trimming on 345kV circuits	Use of contract crews	Side trim areas of the Pierce-Kyger, Pierce-X530 #1 and #2, and the Kyger-X530 #1 and #2 circuits ROW	Ongoing work with an estimated expenditure of \$104,000	Ongoing work with an actual expenditure of \$153,895
ROW Treatment  GOAL - Herbicide treat 300 acres of ROW	Use of contract crews	Herbicide treatment of 300 acres of ROW on the Pierce-X530 #1 and #2 circuits	Met goal of treating 300 acres of ROW	Treated 407 acres 136% 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**

**3/26/2014 2:45:23 PM**

**in**

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Summary: Annual Report electronically filed by Mr. Scott R Cunningham on behalf of Ohio Valley Electric Corporation