Ohio Valley Electric Corporation
and its wholly-owned subsidiary
Indiana-Kentucky Electric Corporation
Integration Proposal
Company Overview

- Formed in 1952 to meet needs of the then-AEC Uranium Enrichment facility near Piketon, OH
- Peak Load was near 2,000 MW
  - Facility ceased production in 2001
- The OVEC Contract with AEC-successor DOE terminated in 2003
  - DOE Load now less that 45 MW
  - Served from off-system resources through RFP process
  - Retail arrangements with OVEC continue on a month-to-month basis, with pending discussions to transfer this load to another provider
- OVEC now sells all generation at cost to its 8 electric utility and cooperative owners (or their affiliates) under the Inter-Company Power Agreement (ICPA), a FERC-filed tariff.
Company Overview (cont’d)

• 2,200 MW Generation Capacity at 2 generating stations
• All 345 kV Transmission
• No distribution system
• Currently not a member of any RTO (RC function performed under agreement with MISO)
• NERC-registered TO/TOP, GO/GOP, BA, TP & TSP
OVEC’s Sponsors/Owners

- PJM Member Sponsors
  - American Electric Power
  - Buckeye Power
  - Duke Energy
  - FirstEnergy/Allegheny Power
  - Wolverine Power Cooperative
  - Dayton Power and Light

- Non-PJM Member Sponsors
  - LGE-KU
  - Vectren
Integration Issues

• OVEC is unique
  – Serves small single load (DOE) which has agreed to terminate its contract, but the effective date of such termination is unknown (currently expected within the 2018-2022 time frame).
  – Integration will take place with the load served by OVEC, with a future transfer of responsibility for that load to another existing PJM TO.
Integration Issues (cont’d)

• OVEC will be integrated as a separate new zone within PJM with rates under Attachment H to the PJM tariff.

• OVEC will also propose to include provisions for OVEC companies that are not PJM member companies
  
  • OVEC and PJM are discussing ‘grandfathered’ treatment of the OVEC Inter-Company Power Agreement (an agreement in place since 1956) to maintain the agreement among the OVEC-sponsor companies.
Questions?