Ohio Valley Electric Corporation
and its wholly-owned subsidiary
Indiana-Kentucky Electric Corporation

Integration Discussion and 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 than 30 MW
  – Served from off-system resources through RFP process
  – Retail arrangements with OVEC to be terminated in 2015
• 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.
• 2,200 MW Generation Capacity at 2 generating stations
• All 345 kV Transmission
• No distribution system
• Not a member of any RTO – MISO serves as OVEC’s RC
• TO/TOP, GO/GOP, BA, IA, PSE, TP, TSP, & LSE
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 has a unique situation
  – Currently has single load (DOE) which has stated its intent to terminate its contract
  – Could integrate without a load or with a single load
Integration Issues

• DOE load remains OVEC’s sole load as OVEC enters PJM – similar but still unique to other TO’s

• OVEC would establish formula rates for DOE or any future load

• OVEC also would include provisions for OVEC companies that are not PJM member companies
  • The current Inter-Company Power Agreement originated in 1956
  • OVEC would file for this to be considered a “grandfathered” agreement (or granted similar treatment)
Feedback

• Are there any concerns/issues that should be addressed in the FERC filing?