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?