

OHIO VALLEY ELECTRIC CORPORATION (OVEC)
And its wholly-owned subsidiary
INDIANA-KENTUCKY ELECTRIC CORPORATION
Pre-Qualification and Filing Package

I. Name and address of the entity including a point of contact

Address:

Ohio Valley Electric Corporation
P.O. Box 468
Piketon, OH 45661

Point of Contact:

Scott R. Cunningham, P.E.
Electrical Operations Director
Phone: (740) 289-7217
E-mail: scunning@ovec.com

II. Technical and engineering qualifications of the entity or its affiliate, partner, or parent company

OVEC has operated and maintained its facilities since its inception in the 1950s. OVEC has experienced engineers, including seven Licensed Professional Engineers, and construction managers who oversee the construction, operation and maintenance of the OVEC facilities in accordance with design specifications. In addition to in-house staff, OVEC has a support services agreement with the American Electric Power Service Company (AEPSC) for the provision of engineering, design, planning, and other services to OVEC to enable construction, operation and maintenance of generation and transmission facilities, including the specification of equipment and construction services and the evaluation of submitted proposals. This arrangement with AEPSC has been in place since the 1950's and AEPSC provides necessary support and services when needed.

III. Demonstrated experience of the entity or its affiliate, partner, or parent company to develop, construct, maintain, and operate transmission facilities previously developed regarding construction, maintenance, or operation of transmission facilities both inside and outside the PJM Region.

OVEC (with its wholly-owned subsidiary IKEC) undertook the design, construction, operation and maintenance of a complete generation and transmission system to serve the highly critical load at the then-Atomic Energy Commission's (AEC) (now Department of Energy or DOE) facility near Piketon, OH. This was the first 345 kV system ever constructed and operated in the United States. Since completion of construction in 1956, OVEC has operated and maintained its facilities in accordance with industry best practices and, since the inception of mandatory compliance requirements, has planned, operated, and maintained its system in accordance with NERC Reliability Standards.

The unique design, including the high reliability demanded by the AEC and DOE, has resulted in a system that has required few upgrades. Two upgrades that have occurred are:

- a. In 1993, the Clifty Creek-Dearborn #2 line was tapped to provide a 345 kV connection to Duke Energy-Ohio/Kentucky's Buffington Station.
- b. In 2009, the retirement of the DOE's X533 345 kV station required a reconfiguration of the Kyger Creek-X533 lines and the Pierce-X533 lines to by-pass the former X533 station.

Working through AEPSC, the construction for both upgrades was completed under OVEC's supervision and management.

OVEC operates and maintains its system in accordance with NERC Reliability Standards. OVEC underwent a compliance audit in August 2016, resulting in no findings. A copy of the public version of the audit report is attached.

IV. Previous record of the entity or its affiliate, partner, or parent company to adhere to standardized construction, maintenance and operating practices

See description in Item III above.

V. Capability of the entity or its affiliate, partner, or parent company to adhere to standardized construction, maintenance and operating practices

Under the support services agreement and subject to OVEC oversight and management, AEPSC is responsible for the implementation of construction,

maintenance and operating practices and it utilizes the same practices for the OVEC system as are applied to the AEP system.

VI. Financial statements of the entity or its affiliate, partner, or parent company. Please provide the most recent fiscal quarter, as well as the most recent three fiscal years, or the period of existence of the entity, if shorter, or such other evidence demonstrating an entity's current and expected financial capability acceptable to the Office of the Interconnection

OVEC's 10K reports for 2014-2017 are attached.

VII. Commitment by the entity to execute the Consolidated Transmission Owners Agreement, if the entity becomes a Designated Entity

OVEC commits to executing the Consolidated Transmission Owners Agreement.

VIII. Evidence demonstrating the ability of the entity to address and timely remedy failure of facilities

On two occasions in its 60+ year history, OVEC suffered the loss of two double-circuit 345 kV lattice towers (1992 and 2012) due to tornadoes. In both cases, OVEC mobilized contractors, acquired replacement towers, and restored the circuits to service within 3 months. A copy of the EOP-004 Event Report for the 2012 event is attached.

IX. Description of the experience of the entity in acquiring rights of way

OVEC holds all rights-of-way for its existing transmission system and related facilities. To the extent that rights-of-way or other real estate interests have been required as part of ongoing operations and maintenance of its system, OVEC has used the services of AEPSC's real estate specialists pursuant to its support service agreement. OVEC also regularly engages local law firms with respect to a variety of matters and would utilize outside, specialized services as necessary.