

OVEC/IKEC TRANSMISSION PLANNING MEETING

November 30, 2011

Piketon, Ohio

Attendees:

David E. Jones, VP-Operations, OVEC

Robert J. Matthey, Superintendent of Electrical Operations, OVEC

Scott R. Cunningham, System Operations Supervisor, OVEC

George W. Brady, System Engineer-Operations, OVEC

Jonathan H. Riley, AEP East Transmission Planning (OVEC's Planning Engineer)

Scott N. Smith, Vice President and Assistant to the President, OVEC – By Phone

William A. Squibb, Energy Scheduling Supervisor, OVEC

Matthew W. Smith, Energy Scheduling Assistant, OVEC

Chuck Harley, Restoration Services, (Representing the DOE)

Matt Vick, Department Of Energy

Tim Boss, Pro-2-Serve (Representing DOE)

Charlie Beattie, Pro-2-Serve (Representing DOE)

Charlie Freibert, LGE-KU, - by phone

Daryn Barker, LGE-KU, - by phone

Bob Matthey – Opening Remarks

Attendees were introduced. The purpose of the meeting is to comply with the directives of FERC Order 890 to have an open transmission planning process by involving stakeholders and regulators in the process and seeking input from them. The preliminary plan was presented at the spring meeting. The plan will be finalized at this fall meeting, taking into account stakeholder input. The other purpose of the meeting is to demonstrate compliance with the NERC Reliability Standards, especially the MOD and the TPL standards.

In accordance with Order 890, most of the information presented is publicly available to most stakeholders. Confidential or Critical Electric Infrastructure Information (CEII) will also be presented and will be identified as such. Stakeholders or others who wish to provide information were reminded to identify any information they wish to be treated as Confidential or CEII. Information should be submitted 30 days following the meeting. All attendees have either signed a Confidentiality Agreement or are bound by the FERC Standards of Conduct. The DOE representatives are bound by regulations to maintain confidentiality.

The draft plan is made available 30 days prior to the next meeting.

OVEC's planning is performed by American Electric Power East Transmission Planning, under the terms of an engineering support contract.

owned by others are not included in OVEC compliance. The decision to replace breakers is made when duties approach 100% or other issues, such as age and environmental concerns arise.

LGE-KU added Trimble County Unit 2 and looped Ghent-Speed 345 kV line into Trimble County. Both projects were completed late last year.

The 2011 draft report was posted in November 2011. The FCITC results for 2016 and 2021 summer periods were highlighted. Adequate margins were identified, with Clifty Creek-Trimble Co. as a limiting factor. The proposed LGE-Duke tie would alleviate this. OVEC facilities meet requirements of NERC TPL Planning Standards. Contingencies are for N-1, N-1-1, and N-2. No problems were found in the initial screening. OVEC facilities should meet NERC planning criteria. OVEC will continue to monitor the limited margins on the LGEE interfaces with OVEC and Duke.

In response to comments about options to replacing X530, Mr. Riley mentioned he can only study what was formally presented.

In summary, OVEC needs to continue to monitor unit retirements in light of recent environmental regulations, the Clean Line project (HVDC to deliver wind energy from the far Midwest), participate in SIRPP and monitor the MISO and PJM transmission expansion plans.

Input from Stakeholders

Input was requested from the stakeholders in attendance regarding:

- Information on the addition of generation or load
- Transmission changes not in the models
- Economic improvements – constraints to market operations or beneficial transmission improvements, if any.

Recent, but limited, TLR activity is related to operational issues in surrounding areas. No longer term planning issues were identified.

Next Steps

The input received within 30 days from the date of this meeting from stakeholders will be incorporated into new RFC studies, in parallel with the results of current studies. Pagination issues in the draft report will be fixed. The results will be analyzed and discussed with stakeholders, either via e-mail or by a conference call if necessary.

Concluding remarks

Mr. Matthey concluded by mentioning the recent FERC Order 1000, which requires all Transmission Providers to participate in a regional planning process and regional cost allocation methodology. OVEC held a conference call with FERC staff in early November to discuss options available to non-RTO Transmission Providers. OVEC has reached out to LGE-KU to jointly participate in a region. OVEC will discuss with PJM as well given the interconnections. After 1/1/12, OVEC will not have a direct interconnection with MISO, which is a requirement of a region. This may impact OVEC's planning meetings. The meeting was adjourned at 11:15.