

OVEC/IKEC TRANSMISSION PLANNING MEETING

**April 1, 2008
Piketon, Ohio**

Attendees:

David E. Jones, VP-Operations, OVEC
Robert J. Matthey, Superintendent of Electrical Operations, OVEC
William A. Squibb, Energy Scheduling Supervisor, OVEC
Scott R. Cunningham, System Operations Supervisor, OVEC
Jonathan H. Riley, AEP East Transmission Planning (OVEC's Planning Engineer)
Chuck Harley, TPMC, (Representing the DOE)
Gavin Cunningham, Manager Transmission Assets, FirstEnergy – By Phone
Charlie Freibert, Director of Energy Marketing, E.On – By Phone
Rick Bertelson, Kentucky Public Service Commission – 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 plan is to hold two meetings annually, one in April, in which previous studies will be discussed and input sought from stakeholders, and one in October to follow up on discussions from the April meeting.

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. All attendees have either signed a Confidentiality Agreement or are bound by the FERC Standards of Conduct. The DOE representative is bound by regulations to maintain confidentiality.

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

Jon Riley – Presentation on OVEC Transmission Planning Process and Study Results

(A redacted version of Mr. Riley's presentation is posted with these minutes.)

A history of OVEC and an overview of the OVEC system were provided. Changes which have been completed, are in progress or are being planned on both the OVEC system and on neighboring systems to address issues identified in previous years studies were also discussed.

A description of OVEC's participation in the ReliabilityFirst (RFC) Regional Planning Process was provided. OVEC provides data for model development, participates in the

Transmission Performance Subcommittee (TPS) and is involved in several study teams working under the direction of the TPS. OVEC monitors developments in the MISO, PJM and LGEE regions regarding expansion plans and generation interconnection queues to assess the impact on the OVEC system from these changes. OVEC participates in MISO ad hoc study groups formed in response to generation interconnection or transmission service requests and to the subregional planning process, as directed by Order 890.

An overview of OVEC's planning process was presented. Since all of OVEC's generation is committed to its Sponsors and the transmission system was designed to deliver large amounts of power reliably to its sole customer, there are few internal drivers for change. Changes external to the OVEC system usually are more significant.

In response to Order 890, additional detail was added to OVEC's Form 715 in part 5. This should allow any stakeholder with access to a system model to replicate the results of any studies.

RFC has completed seasonal, near-term and some longer-term assessments. Given that the OVEC system is primarily an EHV system, the representation of the system is essentially the same as the MMWG model. Therefore OVEC's studies build on these results. Sensitivity analysis is used to determine the impacts of generation levels and dispatch in neighboring systems, transfers and market activities in surrounding areas and status of transmission facilities. Other contingency analyses are included as needed.

Results of Studies

The results indicate that the requirements of NERC Standards TPL-001 through TPL-004 have been met. Concerns with issues identified in earlier studies are being addressed, as described earlier. Questions regarding margins were addressed.

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.

The E.On representative advised that they had several additions already pending and that these were publicly available. Several questions regarding the impact of these additions and coordination of requests for network service were discussed.

Next Steps

The input received from stakeholders will be incorporated into new RFC studies, in parallel with the results of current studies. The results will be analyzed and discussed with

stakeholders, either via e-mail or by a conference call if necessary. At this time, a decision whether to hold the October meeting in person or via a conference call will be made.