

OVEC/IKEC TRANSMISSION PLANNING MEETING

**April 27, 2011
Piketon, Ohio**

Attendees:

In Person:

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

Gary W. Gillespie, Chief Transmission and Substation Engineer, OVEC

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

William A. Squibb, Energy Scheduling Supervisor, OVEC

Matthew W. Smith, Energy Scheduling Assistant, OVEC

Chuck Harley, Restoration Services, (Representing the DOE)

Craig Grooms, Buckeye Power

By Phone:

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

Mohan Sachdeva, Buckeye Power

Krista Rowe, Administrative Assistant III, OVEC

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 other purpose of the meeting is to demonstrate compliance with the NERC Reliability Standards, especially the MOD and the TPL standards. The plan is to hold two meetings annually, one in April, in which previous studies will be discussed and input sought from stakeholders, and another 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. 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 representative is 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.

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

(Mr. Riley's presentation and report are 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.

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.

RFC studies for 2011 are in progress. The Fall 2011 study uses an N-1-1 approach to replace the Winter 2011 study, including known outages. Near term looks at Fall 2015 shoulder and 2016 light load. Long term looks at 2021.

OVEC generally relies on built RFC studies and adds sensitivity analysis based on generation levels at nearby plans, W-E and S-N transfers. Other analyses performed as needed with known outages. Beginning in 2010, complete assessments are done to meet TPL-001 to TPL-004 compliance. RFC models are used as the basis when available.

OVEC monitors generator interconnect queues in neighboring regions and participates in MISO ad hoc study groups formed in response to generation interconnection or transmission service requests and to the sub regional planning process, as directed by Order 890. OVEC is also involved as a stakeholder in the Southeastern Inter-Regional Participation Process (SIRPP) to provide input for economic studies. There have been recent increases in the number of renewable generation requests and there could be increases in gas turbine or combined cycle requests.

Short circuit assessments indicate low margins at Kyger Creek. Replacement of the Kyger breakers is in progress (25% complete), with the targeted completion by the end of 2013. Breakers in OVEC stations but owned by others are not included in OVEC compliance. Reconfiguration of lines associated with closure of X533 has been completed. Breakers DA and DD at Dearborn are to be retired and replaced with jumpers, creating a Clifty Creek – Buffington tie, which is to be completed by September 2012. Following that, updates to the Clifty breakers is being considered. 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 2010 draft report was posted in October 2010. No significant changes were needed. The final version will be posted when minor supplemental information that was requested is added to the report. OVEC facilities meet requirements of NERC TPL Planning Standards.

Current studies include the 2011 summer, 2016 summer and the 2021 summer, screening for AC and DC. ERAG (Eastern Interconnection Reliability Assessment Group) models plus OVEC updates are being used as the basis. Contingencies are for N-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. MISO is considering several reinforcements.

Questions on the impact on the LGE-KU interfaces of the addition of Trimble County Unit 2 and the announced closure of several smaller LGE-KU units was addressed.

A question on the value and expected use of OVEC's transmission system given its location and the changes in generation mix was 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 or beneficial transmission improvements, if any.

A question on the frequency of TLR curtailments, especially with the transition of OVEC's RC from PJM to MISO, was addressed.

A question on impact on OVEC transactions on possible outages at X530 was addressed.

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. The results will be analyzed and discussed with stakeholders, either via e-mail or by a conference call if necessary. Results will be discussed at the fall meeting.