

THIS FILING IS

Item 1:  An Initial (Original)  
Submission

OR  Resubmission No. \_\_\_\_\_

Form 1 Approved  
OMB No. 1902-0021  
(Expires 7/31/2008)  
Form 1-F Approved  
OMB No. 1902-0029  
(Expires 6/30/2007)  
Form 3-Q Approved  
OMB No. 1902-0205  
(Expires 6/30/2007)



# FERC FINANCIAL REPORT

## FERC FORM No. 1: Annual Report of Major Electric Utilities, Licensees and Others and Supplemental Form 3-Q: Quarterly Financial Report

These reports are mandatory under the Federal Power Act, Sections 3, 4(a), 304 and 309, and 18 CFR 141.1 and 141.400. Failure to report may result in criminal fines, civil penalties and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of confidential nature

Exact Legal Name of Respondent (Company)

Ohio Valley Electric Corporation

Year/Period of Report

End of 2006/Q4

## INDEPENDENT AUDITORS' REPORT

Ohio Valley Electric Corporation  
Piketon, Ohio

We have audited the balance sheet – regulatory basis of the Ohio Valley Electric Corporation (the “Company”) as of December 31, 2006, and the related statements of income-regulatory basis retained earnings – regulatory basis; and cash flows – regulatory basis, for the year ended December 31, 2006, included on pages 110 through 123 of the accompanying Federal Energy Regulatory Commission Form 1. These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, these financial statements were prepared in accordance with requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, such financial statements present fairly, in all material respects, the assets, liabilities and proprietary capital of the Ohio Valley Electric Corporation as of December 31, 2006, and the results of its operations and its cash flows for the year ended December 31, 2006 in accordance with the accounting requirements of the Federal Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases.

This report is intended solely for the information and use of the board of directors and management of the Ohio Valley Electric Corporation and for filing with the Federal Energy Regulatory Commission and is not intended to be and should not be used by anyone other than these specified parties.

*Deloitte + Touche LLP*

April 9, 2007

# INSTRUCTIONS FOR FILING FERC FORM NOS. 1 and 3-Q

## GENERAL INFORMATION

### I. Purpose

FERC Form No. 1 (FERC Form 1) is an annual regulatory requirement for Major electric utilities, licensees and others (18 C.F.R. § 141.1). FERC Form No. 3-Q (FERC Form 3-Q) is a quarterly regulatory requirement which supplements the annual financial reporting requirement (18 C.F.R. § 141.400). These reports are designed to collect financial and operational information from electric utilities, licensees and others subject to the jurisdiction of the Federal Energy Regulatory Commission. These reports are also considered to be non-confidential public use forms.

### II. Who Must Submit

Each Major electric utility, licensee, or other, as classified in the Commission's Uniform System of Accounts Prescribed for Public Utilities and Licensees Subject To the Provisions of The Federal Power Act (18 C.F.R. Part 101), must submit FERC Form 1 (18 C.F.R. § 141.1), and FERC Form 3-Q (18 C.F.R. § 141.400).

Note: Major means having, in each of the three previous calendar years, sales or transmission service that exceeds one of the following:

- (1) one million megawatt hours of total annual sales,
- (2) 100 megawatt hours of annual sales for resale,
- (3) 500 megawatt hours of annual power exchanges delivered, or
- (4) 500 megawatt hours of annual wheeling for others (deliveries plus losses).

### III. What and Where to Submit

(a) Submit FERC Forms 1 and 3-Q electronically through the forms submission software. Retain one copy of each report for your files. Any electronic submission must be created by using the forms submission software provided free by the Commission at its web site: <http://www.ferc.gov/docs-filing/eforms/form-1/elec-subm-soft.asp>. The software is used to submit the electronic filing to the Commission via the Internet.

(b) The Corporate Officer Certification must be submitted electronically as part of the FERC Forms 1 and 3-Q filings.

(c) Submit immediately upon publication, by either eFiling or mail, two (2) copies to the Secretary of the Commission, the latest Annual Report to Stockholders. Unless eFiling the Annual Report to Stockholders, mail the stockholders report to the Secretary of the Commission at:

Secretary  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, DC 20426

(d) For the CPA Certification Statement, submit within 30 days after filing the FERC Form 1, a letter or report (not applicable to filers classified as Class C or Class D prior to January 1, 1984). The CPA Certification Statement can be either eFiled or mailed to the Secretary of the Commission at the address above.

The CPA Certification Statement should:

- a) Attest to the conformity, in all material aspects, of the below listed (schedules and pages) with the Commission's applicable Uniform System of Accounts (including applicable notes relating thereto and the Chief Accountant's published accounting releases), and
- b) Be signed by independent certified public accountants or an independent licensed public accountant certified or licensed by a regulatory authority of a State or other political subdivision of the U. S. (See 18 C.F.R. §§ 41.10-41.12 for specific qualifications.)

<u>Reference Schedules</u>	<u>Pages</u>
Comparative Balance Sheet	110-113
Statement of Income	114-117
Statement of Retained Earnings	118-119
Statement of Cash Flows	120-121
Notes to Financial Statements	122-123

- e) The following format must be used for the CPA Certification Statement unless unusual circumstances or conditions, explained in the letter or report, demand that it be varied. Insert parenthetical phrases only when exceptions are reported.

"In connection with our regular examination of the financial statements of \_\_\_\_\_ for the year ended on which we have reported separately under date of \_\_\_\_\_, we have also reviewed schedules \_\_\_\_\_ of FERC Form No. 1 for the year filed with the Federal Energy Regulatory Commission, for conformity in all material respects with the requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases. Our review for this purpose included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Based on our review, in our opinion the accompanying schedules identified in the preceding paragraph (except as noted below) conform in all material respects with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases."

The letter or report must state which, if any, of the pages above do not conform to the Commission's requirements. Describe the discrepancies that exist.

- (f) Filers are encouraged to file their Annual Report to Stockholders, and the CPA Certification Statement using eFiling. To further that effort, new selections, "Annual Report to Stockholders," and "CPA Certification Statement" have been added to the dropdown "pick list" from which companies must choose when eFiling. Further instructions are found on the Commission's website at <http://www.ferc.gov/help/how-to.asp>.

- (g) Federal, State and Local Governments and other authorized users may obtain additional blank copies of FERC Form 1 and 3-Q free of charge from <http://www.ferc.gov/docs-filing/eforms/form-1/form-1.pdf> and <http://www.ferc.gov/docs-filing/eforms.asp#3Q-gas>.

#### IV. When to Submit:

FERC Forms 1 and 3-Q must be filed by the following schedule:



- a) FERC Form 1 for each year ending December 31 must be filed by April 18<sup>th</sup> of the following year (18 CFR § 141.1), and
- b) FERC Form 3-Q for each calendar quarter must be filed within 60 days after the reporting quarter (18 C.F.R. § 141.400).

**V. Where to Send Comments on Public Reporting Burden.**

The public reporting burden for the FERC Form 1 collection of information is estimated to average 1,144 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data-needed, and completing and reviewing the collection of information. The public reporting burden for the FERC Form 3-Q collection of information is estimated to average 150 hours per response.

Send comments regarding these burden estimates or any aspect of these collections of information, including suggestions for reducing burden, to the Federal Energy Regulatory Commission, 888 First Street NE, Washington, DC 20426 (Attention: Information Clearance Officer); and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503 (Attention: Desk Officer for the Federal Energy Regulatory Commission). No person shall be subject to any penalty if any collection of information does not display a valid control number (44 U.S.C. § 3512 (a)).

## GENERAL INSTRUCTIONS

- I. Prepare this report in conformity with the Uniform System of Accounts (18 CFR Part 101) (USofA). Interpret all accounting words and phrases in accordance with the USofA.
- II. Enter in whole numbers (dollars or MWH) only, except where otherwise noted. (Enter cents for averages and figures per unit where cents are important. The truncating of cents is allowed except on the four basic financial statements where rounding is required.) The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting period, and use for statement of income accounts the current year's year to date amounts.
- III. Complete each question fully and accurately, even if it has been answered in a previous report. Enter the word "None" where it truly and completely states the fact.
- IV. For any page(s) that is not applicable to the respondent, omit the page(s) and enter "NA," "NONE," or "Not Applicable" in column (d) on the List of Schedules, pages 2 and 3.
- V. Enter the month, day, and year for all dates. Use customary abbreviations. **The "Date of Report" included in the header of each page is to be completed only for resubmissions (see VII. below).**
- VI. Generally, except for certain schedules, all numbers, whether they are expected to be debits or credits, must be reported as positive. Numbers having a sign that is different from the expected sign must be reported by enclosing the numbers in parentheses.
- VII. For any resubmissions, submit the electronic filing using the form submission software only. Please explain the reason for the resubmission in a footnote to the data field.
- VIII. Do not make references to reports of previous periods/years or to other reports in lieu of required entries, except as specifically authorized.
- IX. Wherever (schedule) pages refer to figures from a previous period/year, the figures reported must be based upon those shown by the report of the previous period/year, or an appropriate explanation given as to why the different figures were used.

Definitions for statistical classifications used for completing schedules for transmission system reporting are as follows:

FNS - Firm Network Transmission Service for Self. "Firm" means service that can not be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Network Service" is Network Transmission Service as described in Order No. 888 and the Open Access Transmission Tariff. "Self" means the respondent.

FNO - Firm Network Service for Others. "Firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Network Service" is Network Transmission Service as described in Order No. 888 and the Open Access Transmission Tariff.

LFP - for Long-Term Firm Point-to-Point Transmission Reservations. "Long-Term" means one year or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Point-to-Point Transmission Reservations" are described in Order No. 888 and the Open Access Transmission Tariff. For all transactions identified as LFP, provide in a footnote the

termination date of the contract defined as the earliest date either buyer or seller can unilaterally cancel the contract.

OLF - Other Long-Term Firm Transmission Service. Report service provided under contracts which do not conform to the terms of the Open Access Transmission Tariff. "Long-Term" means one year or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. For all transactions identified as OLF, provide in a footnote the termination date of the contract defined as the earliest date either buyer or seller can unilaterally get out of the contract.

SFP - Short-Term Firm Point-to-Point Transmission Reservations. Use this classification for all firm point-to-point transmission reservations, where the duration of each period of reservation is less than one-year.

NF - Non-Firm Transmission Service, where firm means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions.

OS - Other Transmission Service. Use this classification only for those services which can not be placed in the above-mentioned classifications, such as all other service regardless of the length of the contract and service FERC Form. Describe the type of service in a footnote for each entry.

AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment.

#### DEFINITIONS

I. Commission Authorization (Comm. Auth.) -- The authorization of the Federal Energy Regulatory Commission, or any other Commission. Name the commission whose authorization was obtained and give date of the authorization.

II. Respondent -- The person, corporation, licensee, agency, authority, or other Legal entity or instrumentality in whose behalf the report is made.

## EXCERPTS FROM THE LAW

### Federal Power Act, 16 U.S.C. § 791a-825r

Sec. 3. The words defined in this section shall have the following meanings for purposes of this Act, to with:

(3) 'Corporation' means any corporation, joint-stock company, partnership, association, business trust, organized group of persons, whether incorporated or not, or a receiver or receivers, trustee or trustees of any of the foregoing. It shall not include 'municipalities, as hereinafter defined;

(4) 'Person' means an individual or a corporation;

(5) 'Licensee, means any person, State, or municipality Licensed under the provisions of section 4 of this Act, and any assignee or successor in interest thereof;

(7) 'municipality means a city, county, irrigation district, drainage district, or other political subdivision or agency of a State competent under the Laws thereof to carry and the business of developing, transmitting, unitizing, or distributing power; .....

(11) "project' means. a complete unit of improvement or development, consisting of a power house, all water conduits, all dams and appurtenant works and structures (including navigation structures) which are a part of said unit, and all storage, diverting, or fore bay reservoirs directly connected therewith, the primary line or lines transmitting power there from to the point of junction with the distribution system or with the interconnected primary transmission system, all miscellaneous structures used and useful in connection with said unit or any part thereof, and all water rights, rights-of-way, ditches, dams, reservoirs, Lands, or interest in Lands the use and occupancy of which are necessary or appropriate in the maintenance and operation of such unit;

"Sec. 4. The Commission is hereby authorized and empowered

(a) To make investigations and to collect and record data concerning the utilization of the water 'resources of any region to be developed, the water-power industry and its relation to other industries and to interstate or foreign commerce, and concerning the location, capacity, development -costs, and relation to markets of power sites; ... to the extent the Commission may deem necessary or useful for the purposes of this Act."

"Sec. 304. (a) Every Licensee and every public utility shall file with the Commission such annual and other periodic or special\* reports as the Commission may be rules and regulations or other prescribe as necessary or appropriate to assist the Commission in the -proper administration of this Act. The Commission may prescribe the manner and FERC Form in which such reports salt be made, and require from such persons specific answers to all questions upon which the Commission may need information. The Commission may require that such reports shall include, among other things, full information as to assets and Liabilities, capitalization, net investment, and reduction thereof, gross receipts, interest due and paid, depreciation, and other reserves, cost of project and other facilities, cost of maintenance and operation of the project and other facilities, cost of renewals and replacement of the project works and other facilities, depreciation, generation, transmission, distribution, delivery, use, and sale of electric energy. The Commission may require any such person to make adequate provision for currently determining such costs and other facts. Such reports shall be made under oath unless the Commission otherwise specifies\*.10

"Sec. 309. The Commission shall have power to perform any and all acts, and to prescribe, issue, make, and rescind such orders, rules and regulations as it may find necessary or appropriate to carry out the provisions of this Act. Among other things, such rules and regulations may define accounting, technical, and trade terms used in this Act; and may prescribe the FERC Form or FERC Forms of all statements, declarations, applications, and reports to be filed with the Commission, the information which they shall contain, and the time within which they shall be filed..."

#### **General Penalties**

The Commission may assess up to \$1 million per day per violation of its rules and regulations. *See* FPA § 316(a) (2005), 16 U.S.C. § 825o(a).


**FERC FORM NO. 1/3-Q:  
REPORT OF MAJOR ELECTRIC UTILITIES, LICENSEES AND OTHER**

IDENTIFICATION		
01 Exact Legal Name of Respondent Ohio Valley Electric Corporation	02 Year/Period of Report End of <u>2006/Q4</u>	
03 Previous Name and Date of Change (if name changed during year)  / /		
04 Address of Principal Office at End of Period (Street, City, State, Zip Code) 3932 U.S. Route 23, Piketon, Ohio 45661		
05 Name of Contact Person John D. Brodt	06 Title of Contact Person Secretary and Treasurer	
07 Address of Contact Person (Street, City, State, Zip Code) 3932 U.S. Route 23, Piketon, Ohio 45661		
08 Telephone of Contact Person, Including Area Code (740) 289-7200	09 This Report Is (1) <input checked="" type="checkbox"/> An Original      (2) <input type="checkbox"/> A Resubmission	10 Date of Report (Mo, Da, Yr) 05/18/2007

**ANNUAL CORPORATE OFFICER CERTIFICATION**

The undersigned officer certifies that:

I have examined this report and to the best of my knowledge, information, and belief all statements of fact contained in this report are correct statements of the business affairs of the respondent and the financial statements, and other financial information contained in this report, conform in all material respects to the Uniform System of Accounts.

01 Name John D. Brodt	03 Signature  John D. Brodt	04 Date Signed (Mo, Da, Yr) 05/17/2007
02 Title Secretary and Treasurer		

Title 18, U.S.C. 1001 makes it a crime for any person to knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction.

Name of Respondent Ohio Valley Electric Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/18/2007	Year/Period of Report End of 2006/Q4
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LIST OF SCHEDULES (Electric Utility)

Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".

Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
1	General Information	101	
2	Control Over Respondent	102	
3	Corporations Controlled by Respondent	103	
4	Officers	104	
5	Directors	105	
6	Important Changes During the Year	108-109	
7	Comparative Balance Sheet	110-113	
8	Statement of Income for the Year	114-117	
9	Statement of Retained Earnings for the Year	118-119	
10	Statement of Cash Flows	120-121	
11	Notes to Financial Statements	122-123	
12	Statement of Accum Comp Income, Comp Income, and Hedging Activities	122(a)(b)	NONE
13	Summary of Utility Plant & Accumulated Provisions for Dep, Amort & Dep	200-201	
14	Nuclear Fuel Materials	202-203	NA
15	Electric Plant in Service	204-207	
16	Electric Plant Leased to Others	213	NONE
17	Electric Plant Held for Future Use	214	NONE
18	Construction Work in Progress-Electric	216	
19	Accumulated Provision for Depreciation of Electric Utility Plant	219	
20	Investment of Subsidiary Companies	224-225	
21	Materials and Supplies	227	
22	Allowances	228-229	
23	Extraordinary Property Losses	230	NONE
24	Unrecovered Plant and Regulatory Study Costs	230	NONE
25	Transmission Service and Generation Interconnection Study Costs	231	NONE
26	Other Regulatory Assets	232	
27	Miscellaneous Deferred Debits	233	
28	Accumulated Deferred Income Taxes	234	
29	Capital Stock	250-251	
30	Other Paid-in Capital	253	NONE
31	Capital Stock Expense	254	NONE
32	Long-Term Debt	256-257	
33	Reconciliation of Reported Net Income with Taxable Inc for Fed Inc Tax	261	
34	Taxes Accrued, Prepaid and Charged During the Year	262-263	
35	Accumulated Deferred Investment Tax Credits	266-267	
36	Other Deferred Credits	269	





Name of Respondent Ohio Valley Electric Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/18/2007	Year/Period of Report End of 2006/Q4
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LIST OF SCHEDULES (Electric Utility) (continued)

Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".

Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
67	Substations	426-427	
68	Footnote Data	450	
	<p>Stockholders' Reports Check appropriate box:</p> <p><input checked="" type="checkbox"/> Four copies will be submitted</p> <p><input type="checkbox"/> No annual report to stockholders is prepared</p>		

Name of Respondent Ohio Valley Electric Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/18/2007	Year/Period of Report End of <u>2006/Q4</u>
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**GENERAL INFORMATION**

1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept, and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept.

John D. Brodt, Secretary and Treasurer  
3932 U.S. Route 23  
P.O. Box 468  
Piketon, OH 45661

2. Provide the name of the State under the laws of which respondent is incorporated, and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and the date organized.

Incorporated under the General Corporation Laws of the State of Ohio on October 1, 1952.

3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, and (d) date when possession by receiver or trustee ceased.

Not Applicable

4. State the classes or utility and other services furnished by respondent during the year in each State in which the respondent operated.

Major - Electric Utility - Ohio

5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements?

- (1)  Yes...Enter the date when such independent accountant was initially engaged:  
(2)  No

Name of Respondent Ohio Valley Electric Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/18/2007	Year/Period of Report End of <u>2006/Q4</u>
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**CONTROL OVER RESPONDENT**

1. If any corporation, business trust, or similar organization or a combination of such organizations jointly held control over the respondent at the end of the year, state name of controlling corporation or organization, manner in which control was held, and extent of control. If control was in a holding company organization, show the chain of ownership or control to the main parent company or organization. If control was held by a trustee(s), state name of trustee(s), name of beneficiary or beneficiaries for whom trust was maintained, and purpose of the trust.

Ohio Valley Electric Corporation is owned by eleven entities consisting of ten investor-owned utilities or utility holding companies and one affiliate of a generation and transmission rural electric cooperative. American Electric Power Company, Inc., and its subsidiary, Columbus Southern Power Company held 43.47% of Ohio Valley Electric Corporation's capital stock at December 31, 2006.

Name of Respondent Ohio Valley Electric Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/18/2007	Year/Period of Report End of <u>2006/Q4</u>
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**CORPORATIONS CONTROLLED BY RESPONDENT**

1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote.
2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.
3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.

**Definitions**

1. See the Uniform System of Accounts for a definition of control.
2. Direct control is that which is exercised without interposition of an intermediary.
3. Indirect control is that which is exercised by the interposition of an intermediary which exercises direct control.
4. Joint control is that in which neither interest can effectively control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.

Line No.	Name of Company Controlled (a)	Kind of Business (b)	Percent Voting Stock Owned (c)	Footnote Ref. (d)
1	Indiana-Kentucky Electric Corp.	Electric Utility	100%	
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Name of Respondent Ohio Valley Electric Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/18/2007	Year/Period of Report End of <u>2006/Q4</u>
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**OFFICERS**

- Report below the name, title and salary for each executive officer whose salary is \$50,000 or more. An "executive officer" of a respondent includes its president, secretary, treasurer, and vice president in charge of a principal business unit, division or function (such as sales, administration or finance), and any other person who performs similar policy making functions.
- If a change was made during the year in the incumbent of any position, show name and total remuneration of the previous incumbent, and the date the change in incumbency was made.

Line No.	Title (a)	Name of Officer (b)	Salary for Year (c)
1	President	Michael G. Morris	
2	Vice President and Assistant to the President	David L. Hart	
3	Vice President - Operations	David E. Jones	
4	Secretary and Treasurer	John D. Brodt	
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Name of Respondent Ohio Valley Electric Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/18/2007	Year/Period of Report 2006/Q4
FOOTNOTE DATA			

**Schedule Page: 104 Line No.: 1 Column: c**

Salaries are none.

**Schedule Page: 104 Line No.: 2 Column: c**

Salaries are none.

**Schedule Page: 104 Line No.: 3 Column: c**

Information was reported to FERC and is also kept in the Corporation file copy retained by the respondent.

**Schedule Page: 104 Line No.: 4 Column: c**

Information was reported to FERC and is also kept in the Corporation file copy retained by the respondent.

Name of Respondent Ohio Valley Electric Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/18/2007	Year/Period of Report End of 2006/Q4
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**DIRECTORS**

1. Report below the information called for concerning each director of the respondent who held office at any time during the year. Include in column (a), abbreviated titles of the directors who are officers of the respondent.

2. Designate members of the Executive Committee by a triple asterisk and the Chairman of the Executive Committee by a double asterisk.

Line No.	Name (and Title) of Director (a)	Principal Business Address (b)
1	Anthony J. Ahern	6677 Busch Blvd., Columbus, OH 43226
2	John P. Campbell***	800 Cabin Hill Dr., Greensburg, PA 15601
3	William S. Doty	One Vectren Square, Evansville, IN 47708
4	Carl L. English	1 Riverside Plaza, Columbus, OH 43215
5	Richard R. Grigg	76 South Main St., Akron, OH 44308
6	Holly K. Koeppel	1 Riverside Plaza, Columbus, OH 43215
7	Charles D. Lasky	76 South Main St., Akron, OH 44308
8	Michael G. Morris, President **	1 Riverside Plaza, Columbus, OH 43215
9	Patrick W. O'Loughlin	6677 Busch Blvd., Columbus, OH 43226
10	John C. Procario ***	221 East Fourth St., Cincinnati, OH 45202
11	Leo C. Rajter ***	800 Cabin Hill Dr., Greensburg, PA 15601
12	Donald R. Schneider	76 South Main St., Akron, OH 44308
13	Stanley F. Szwed***	76 South Main St., Akron, OH 44308
14	Paul W. Thompson	220 West Main St., Louisville, KY 40202
15	John N. Voyles, Jr.***	220 West Main St., Louisville, KY 40202
16	Charles Whitlock ***	221 East Fourth St., 6th Floor, Cincinnati, OH 45202
17	W. Steven Wolff	1065 Woodman Drive, Dayton, OH 45432
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Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Ohio Valley Electric Corporation	(1) <input checked="" type="checkbox"/> An Original	(Mo, Da, Yr)	
	(2) <input type="checkbox"/> A Resubmission	05/18/2007	2006/Q4
FOOTNOTE DATA			

**Schedule Page: 105 Line No.: 5 Column: a**

Richard R. Grigg was elected 7/06 to replace Donald R. Schneider.

**Schedule Page: 105 Line No.: 11 Column: a**

Leo C. Rajter was elected 8/06 to replace John P. Campbell.

**Schedule Page: 105 Line No.: 16 Column: a**

Charles Whitlock was elected 7/06 to replace John C. Procario.



Name of Respondent Ohio Valley Electric Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 05/18/2007	Year/Period of Report End of 2006/Q4
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**IMPORTANT CHANGES DURING THE QUARTER/YEAR**

Give particulars (details) concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Each inquiry should be answered. Enter "none," "not applicable," or "NA" where applicable. If information which answers an inquiry is given elsewhere in the report, make a reference to the schedule in which it appears.

1. Changes in and important additions to franchise rights: Describe the actual consideration given therefore and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state that fact.
2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.
3. Purchase or sale of an operating unit or system: Give a brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required. Give date journal entries called for by the Uniform System of Accounts were submitted to the Commission.
4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other condition. State name of Commission authorizing lease and give reference to such authorization.
5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and give reference to Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service. Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc.
6. Obligations incurred as a result of issuance of securities or assumption of liabilities or guarantees including issuance of short-term debt and commercial paper having a maturity of one year or less. Give reference to FERC or State Commission authorization, as appropriate, and the amount of obligation or guarantee.
7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.
8. State the estimated annual effect and nature of any important wage scale changes during the year.
9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.
10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on Page 106, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.
11. (Reserved.)
12. If the important changes during the year relating to the respondent company appearing in the annual report to stockholders are applicable in every respect and furnish the data required by Instructions 1 to 11 above, such notes may be included on this page.
13. Describe fully any changes in officers, directors, major security holders and voting powers of the respondent that may have occurred during the reporting period.
14. In the event that the respondent participates in a cash management program(s) and its proprietary capital ratio is less than 30 percent please describe the significant events or transactions causing the proprietary capital ratio to be less than 30 percent, and the extent to which the respondent has amounts loaned or money advanced to its parent, subsidiary, or affiliated companies through a cash management program(s). Additionally, please describe plans, if any to regain at least a 30 percent proprietary ratio.

PAGE 108 INTENTIONALLY LEFT BLANK  
SEE PAGE 109 FOR REQUIRED INFORMATION.

Name of Respondent Ohio Valley Electric Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/18/2007	Year/Period of Report 2006/Q4
IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)			

1. Not Applicable
2. Not Applicable
3. Not Applicable
4. Not Applicable
5. Not Applicable
6. Not Applicable
7. Not Applicable
8. Effective September 1, 2006, a general wage increase of approximately 3.3% was given to employees except management and clerical personnel. All 2005 eligible employees received a 4.5% bonus that was paid in 2006.
9. Not Applicable
10. Not Applicable
11. Not Applicable
12. See Notes to the Financial Statements beginning on page 122.
13. In July 2006, Mr. Richard R. Grigg was elected as a director to replace Donald R. Schneider and Mr. Charles Whitlock was elected as a director and member of the executive committee to replace John C. Procaro. In August 2006, Mr. Leo C. Rajter was elected as a director and member of the executive committee.  
to replace John P. Campbell.
14. Not Applicable

Name of Respondent Ohio Valley Electric Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/18/2007	Year/Period of Report End of <u>2006/Q4</u>
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**COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)**

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
<b>1</b>	<b>UTILITY PLANT</b>			
2	Utility Plant (101-106, 114)	200-201	577,048,301	520,964,585
3	Construction Work in Progress (107)	200-201	58,388,235	24,763,190
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		635,436,536	545,727,775
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200-201	362,739,153	345,281,715
6	Net Utility Plant (Enter Total of line 4 less 5)		272,697,383	200,446,060
7	Nuclear Fuel in Process of Ref., Conv., Enrich., and Fab. (120.1)	202-203	0	0
8	Nuclear Fuel Materials and Assemblies-Stock Account (120.2)		0	0
9	Nuclear Fuel Assemblies in Reactor (120.3)		0	0
10	Spent Nuclear Fuel (120.4)		0	0
11	Nuclear Fuel Under Capital Leases (120.6)		0	0
12	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202-203	0	0
13	Net Nuclear Fuel (Enter Total of lines 7-11 less 12)		0	0
14	Net Utility Plant (Enter Total of lines 6 and 13)		272,697,383	200,446,060
15	Utility Plant Adjustments (116)	122	0	0
16	Gas Stored Underground - Noncurrent (117)		0	0
<b>17</b>	<b>OTHER PROPERTY AND INVESTMENTS</b>			
18	Nonutility Property (121)		0	0
19	(Less) Accum. Prov. for Depr. and Amort. (122)		0	0
20	Investments in Associated Companies (123)		0	0
21	Investment in Subsidiary Companies (123.1)	224-225	159,583,158	167,020,451
22	(For Cost of Account 123.1, See Footnote Page 224, line 42)			
23	Noncurrent Portion of Allowances	228-229	0	0
24	Other Investments (124)		0	0
25	Sinking Funds (125)		0	0
26	Depreciation Fund (126)		0	0
27	Amortization Fund - Federal (127)		0	0
28	Other Special Funds (128)		0	0
29	Special Funds (Non Major Only) (129)		0	0
30	Long-Term Portion of Derivative Assets (175)		0	0
31	Long-Term Portion of Derivative Assets - Hedges (176)		0	0
32	TOTAL Other Property and Investments (Lines 18-21 and 23-31)		159,583,158	167,020,451
<b>33</b>	<b>CURRENT AND ACCRUED ASSETS</b>			
34	Cash and Working Funds (Non-major Only) (130)		0	0
35	Cash (131)		292,534	575,612
36	Special Deposits (132-134)		2,000	2,000
37	Working Fund (135)		8,669	13,099
38	Temporary Cash Investments (136)		58,321,791	65,407,002
39	Notes Receivable (141)		0	0
40	Customer Accounts Receivable (142)		21,087,615	29,610,816
41	Other Accounts Receivable (143)		148,906	56,436
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		0	0
43	Notes Receivable from Associated Companies (145)		0	0
44	Accounts Receivable from Assoc. Companies (146)		0	0
45	Fuel Stock (151)	227	17,558,658	18,655,380
46	Fuel Stock Expenses Undistributed (152)	227	0	0
47	Residuals (Elec) and Extracted Products (153)	227	0	0
48	Plant Materials and Operating Supplies (154)	227	7,697,764	7,239,734
49	Merchandise (155)	227	0	0
50	Other Materials and Supplies (156)	227	0	0
51	Nuclear Materials Held for Sale (157)	202-203/227	0	0
52	Allowances (158.1 and 158.2)	228-229	34,062,986	27,516,449

Name of Respondent Ohio Valley Electric Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/18/2007	Year/Period of Report End of 2006/Q4
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**COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)(Continued)**

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
53	(Less) Noncurrent Portion of Allowances		0	0
54	Stores Expense Undistributed (163)	227	0	0
55	Gas Stored Underground - Current (164.1)		0	0
56	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)		0	0
57	Prepayments (165)		706,698	695,427
58	Advances for Gas (166-167)		0	0
59	Interest and Dividends Receivable (171)		4,680	267,304
60	Rents Receivable (172)		0	0
61	Accrued Utility Revenues (173)		0	0
62	Miscellaneous Current and Accrued Assets (174)		1,972,800	1,905,241
63	Derivative Instrument Assets (175)		0	0
64	(Less) Long-Term Portion of Derivative Instrument Assets (175)		0	0
65	Derivative Instrument Assets - Hedges (176)		0	0
66	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)		0	0
67	Total Current and Accrued Assets (Lines 34 through 66)		141,865,101	151,944,500
68	<b>DEFERRED DEBITS</b>			
69	Unamortized Debt Expenses (181)		4,471,926	3,907,505
70	Extraordinary Property Losses (182.1)	230	0	0
71	Unrecovered Plant and Regulatory Study Costs (182.2)	230	0	0
72	Other Regulatory Assets (182.3)	232	28,007,410	66,157,855
73	Prelim. Survey and Investigation Charges (Electric) (183)		370,368	362,581
74	Preliminary Natural Gas Survey and Investigation Charges 183.1)		0	0
75	Other Preliminary Survey and Investigation Charges (183.2)		0	0
76	Clearing Accounts (184)		0	0
77	Temporary Facilities (185)		0	0
78	Miscellaneous Deferred Debits (186)	233	256,744	19,745
79	Def. Losses from Disposition of Utility Plt. (187)		0	0
80	Research, Devel. and Demonstration Expend. (188)	352-353	0	0
81	Unamortized Loss on Reaquired Debt (189)		0	0
82	Accumulated Deferred Income Taxes (190)	234	39,099,938	33,542,864
83	Unrecovered Purchased Gas Costs (191)		0	0
84	Total Deferred Debits (lines 69 through 83)		72,206,386	103,990,550
85	TOTAL ASSETS (lines 14-16, 32, 67, and 84)		646,352,028	623,401,561

Name of Respondent Ohio Valley Electric Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Rresubmission	Date of Report (mo, da, yr) 05/18/2007	Year/Period of Report end of 2006/Q4
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**COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)**

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	PROPRIETARY CAPITAL			
2	Common Stock Issued (201)	250-251	10,000,000	10,000,000
3	Preferred Stock Issued (204)	250-251	0	0
4	Capital Stock Subscribed (202, 205)	252	0	0
5	Stock Liability for Conversion (203, 206)	252	0	0
6	Premium on Capital Stock (207)	252	0	0
7	Other Paid-In Capital (208-211)	253	0	0
8	Installments Received on Capital Stock (212)	252	0	0
9	(Less) Discount on Capital Stock (213)	254	0	0
10	(Less) Capital Stock Expense (214)	254	0	0
11	Retained Earnings (215, 215.1, 216)	118-119	2,274,261	2,048,503
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	0	0
13	(Less) Reaquired Capital Stock (217)	250-251	0	0
14	Noncorporate Proprietorship (Non-major only) (218)		0	0
15	Accumulated Other Comprehensive Income (219)	122(a)(b)	0	0
16	Total Proprietary Capital (lines 2 through 15)		12,274,261	12,048,503
17	LONG-TERM DEBT			
18	Bonds (221)	256-257	0	0
19	(Less) Reaquired Bonds (222)	256-257	0	0
20	Advances from Associated Companies (223)	256-257	0	0
21	Other Long-Term Debt (224)	256-257	488,963,211	445,000,000
22	Unamortized Premium on Long-Term Debt (225)		0	0
23	(Less) Unamortized Discount on Long-Term Debt-Debit (226)		0	0
24	Total Long-Term Debt (lines 18 through 23)		488,963,211	445,000,000
25	OTHER NONCURRENT LIABILITIES			
26	Obligations Under Capital Leases - Noncurrent (227)		0	0
27	Accumulated Provision for Property Insurance (228.1)		0	0
28	Accumulated Provision for Injuries and Damages (228.2)		0	0
29	Accumulated Provision for Pensions and Benefits (228.3)		0	0
30	Accumulated Miscellaneous Operating Provisions (228.4)		0	0
31	Accumulated Provision for Rate Refunds (229)		0	0
32	Long-Term Portion of Derivative Instrument Liabilities		0	0
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
34	Asset Retirement Obligations (230)		0	0
35	Total Other Noncurrent Liabilities (lines 26 through 34)		0	0
36	CURRENT AND ACCRUED LIABILITIES			
37	Notes Payable (231)		0	0
38	Accounts Payable (232)		30,843,882	28,717,162
39	Notes Payable to Associated Companies (233)		0	0
40	Accounts Payable to Associated Companies (234)		-15,889,151	13,773,490
41	Customer Deposits (235)		0	0
42	Taxes Accrued (236)	262-263	4,178,720	-20,077,653
43	Interest Accrued (237)		9,958,317	7,491,026
44	Dividends Declared (238)		0	0
45	Matured Long-Term Debt (239)		0	0

Name of Respondent Ohio Valley Electric Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (mo, da, yr) 05/18/2007	Year/Period of Report end of 2006/Q4
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**COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)** (continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
46	Matured Interest (240)		0	0
47	Tax Collections Payable (241)		0	20,632
48	Miscellaneous Current and Accrued Liabilities (242)		3,552,522	3,745,684
49	Obligations Under Capital Leases-Current (243)		0	0
50	Derivative Instrument Liabilities (244)		0	0
51	(Less) Long-Term Portion of Derivative Instrument Liabilities		0	0
52	Derivative Instrument Liabilities - Hedges (245)		0	0
53	(Less) Long-Term Portion of Derivative Instrument Liabilities-Hedges		0	0
54	Total Current and Accrued Liabilities (lines 37 through 53)		32,644,290	33,670,341
55	DEFERRED CREDITS			
56	Customer Advances for Construction (252)		5,056,624	7,006,793
57	Accumulated Deferred Investment Tax Credits (255)	266-267	3,393,146	3,393,146
58	Deferred Gains from Disposition of Utility Plant (256)		0	0
59	Other Deferred Credits (253)	269	31,415,716	31,355,701
60	Other Regulatory Liabilities (254)	278	72,604,780	90,927,077
61	Unamortized Gain on Reaquired Debt (257)		0	0
62	Accum. Deferred Income Taxes-Accel. Amort.(281)	272-277	0	0
63	Accum. Deferred Income Taxes-Other Property (282)		0	0
64	Accum. Deferred Income Taxes-Other (283)		0	0
65	Total Deferred Credits (lines 56 through 64)		112,470,266	132,682,717
66	TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65)		646,352,028	623,401,561

Name of Respondent Ohio Valley Electric Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/18/2007	Year/Period of Report End of <u>2006/Q4</u>
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**STATEMENT OF INCOME**

**Quarterly**

- Enter in column (d) the balance for the reporting quarter and in column (e) the balance for the same three month period for the prior year.
- Report in column (f) the quarter to date amounts for electric utility function; in column (h) the quarter to date amounts for gas utility, and in (j) the quarter to date amounts for other utility function for the current year quarter.
- Report in column (g) the quarter to date amounts for electric utility function; in column (i) the quarter to date amounts for gas utility, and in (k) the quarter to date amounts for other utility function for the prior year quarter.
- If additional columns are needed place them in a footnote.

**Annual or Quarterly if applicable**

- Do not report fourth quarter data in columns (e) and (f)
- Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in another utility column in a similar manner to a utility department. Spread the amount(s) over lines 2 thru 26 as appropriate. Include these amounts in columns (c) and (d) totals.
- Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.
- Report data for lines 8, 10 and 11 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1 and 407.2.

Line No.	Title of Account (a)	(Ref.) Page No. (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
1	UTILITY OPERATING INCOME					
2	Operating Revenues (400)	300-301	523,913,383	468,479,498		
3	Operating Expenses					
4	Operation Expenses (401)	320-323	451,222,727	409,868,582		
5	Maintenance Expenses (402)	320-323	23,257,425	23,274,192		
6	Depreciation Expense (403)	336-337	15,145,659	4,643,286		
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-337				
8	Amort. & Depl. of Utility Plant (404-405)	336-337				
9	Amort. of Utility Plant Acq. Adj. (406)	336-337				
10	Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407)					
11	Amort. of Conversion Expenses (407)					
12	Regulatory Debits (407.3)					
13	(Less) Regulatory Credits (407.4)					
14	Taxes Other Than Income Taxes (408.1)	262-263	3,818,554	3,455,616		
15	Income Taxes - Federal (409.1)	262-263	-3,535,731	-12,570,748		
16	- Other (409.1)	262-263	301,963	-46,249		
17	Provision for Deferred Income Taxes (410.1)	234, 272-277	6,982,690	12,849,588		
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234, 272-277	2,566,553			
19	Investment Tax Credit Adj. - Net (411.4)	266				
20	(Less) Gains from Disp. of Utility Plant (411.6)					
21	Losses from Disp. of Utility Plant (411.7)					
22	(Less) Gains from Disposition of Allowances (411.8)					
23	Losses from Disposition of Allowances (411.9)					
24	Accretion Expense (411.10)					
25	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)		494,626,734	441,474,267		
26	Net Util Oper Inc (Enter Tot line 2 less 25) Carry to Pg117,line 27		29,286,649	27,005,231		

Name of Respondent Ohio Valley Electric Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/18/2007	Year/Period of Report End of <u>2006/Q4</u>
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STATEMENT OF INCOME FOR THE YEAR (Continued)

9. Use page 122 for important notes regarding the statement of income for any account thereof.
10. Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in material refund to the utility with respect to power or gas purchases. State for each year effected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power or gas purchases.
- 11 Give concise explanations concerning significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and a summary of the adjustments made to balance sheet, income, and expense accounts.
12. If any notes appearing in the report to stokholders are applicable to the Statement of Income, such notes may be included at page 122.
13. Enter on page 122 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also, give the appropriate dollar effect of such changes.
14. Explain in a footnote if the previous year's/quarter's figures are different from that reported in prior reports.
15. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles report the information in a footnote to this schedule.

ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY		Line No.
Current Year to Date (in dollars) (g)	Previous Year to Date (in dollars) (h)	Current Year to Date (in dollars) (i)	Previous Year to Date (in dollars) (j)	Current Year to Date (in dollars) (k)	Previous Year to Date (in dollars) (l)	
						1
523,913,383	468,479,498					2
						3
451,222,727	409,868,582					4
23,257,425	23,274,192					5
15,145,659	4,643,286					6
						7
						8
						9
						10
						11
						12
						13
3,818,554	3,455,616					14
-3,535,731	-12,570,748					15
301,963	-46,249					16
6,982,690	12,849,588					17
2,566,553						18
						19
						20
						21
						22
						23
						24
494,626,734	441,474,267					25
29,286,649	27,005,231					26



Name of Respondent Ohio Valley Electric Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/18/2007	Year/Period of Report End of 2006/Q4
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STATEMENT OF INCOME FOR THE YEAR (continued)

Line No.	Title of Account (a)	(Ref.) Page No. (b)	TOTAL		Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
			Current Year (c)	Previous Year (d)		
27	Net Utility Operating Income (Carried forward from page 114)		29,286,649	27,005,231		
28	Other Income and Deductions					
29	Other Income					
30	Nonutility Operating Income					
31	Revenues From Merchandising, Jobbing and Contract Work (415)					
32	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)					
33	Revenues From Nonutility Operations (417)					
34	(Less) Expenses of Nonutility Operations (417.1)					
35	Nonoperating Rental Income (418)					
36	Equity in Earnings of Subsidiary Companies (418.1)	119				
37	Interest and Dividend Income (419)		4,027,145	2,360,335		
38	Allowance for Other Funds Used During Construction (419.1)					
39	Miscellaneous Nonoperating Income (421)		524,228	31,417		
40	Gain on Disposition of Property (421.1)					
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		4,551,373	2,391,752		
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)					
44	Miscellaneous Amortization (425)	340				
45	Donations (426.1)	340	7,796	30,725		
46	Life Insurance (426.2)					
47	Penalties (426.3)		8,199			
48	Exp. for Certain Civic, Political & Related Activities (426.4)		10,772	100		
49	Other Deductions (426.5)					
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		26,767	30,825		
51	Taxes Applic. to Other Income and Deductions					
52	Taxes Other Than Income Taxes (408.2)	262-263				
53	Income Taxes-Federal (409.2)	262-263	278,744	881,795		
54	Income Taxes-Other (409.2)	262-263				
55	Provision for Deferred Inc. Taxes (410.2)	234, 272-277				
56	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 272-277				
57	Investment Tax Credit Adj.-Net (411.5)					
58	(Less) Investment Tax Credits (420)					
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		278,744	881,795		
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		4,245,862	1,479,132		
61	Interest Charges					
62	Interest on Long-Term Debt (427)		26,221,853	18,117,000		
63	Amort. of Debt Disc. and Expense (428)		627,022	2,822,612		
64	Amortization of Loss on Reaquired Debt (428.1)					
65	(Less) Amort. of Premium on Debt-Credit (429)					
66	(Less) Amortization of Gain on Reaquired Debt-Credit (429.1)					
67	Interest on Debt to Assoc. Companies (430)	340				
68	Other Interest Expense (431)	340	2,657,878	5,580,664		
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)					
70	Net Interest Charges (Total of lines 62 thru 69)		29,506,753	26,520,276		
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		4,025,758	1,964,087		
72	Extraordinary Items					
73	Extraordinary Income (434)					
74	(Less) Extraordinary Deductions (435)					
75	Net Extraordinary Items (Total of line 73 less line 74)					
76	Income Taxes-Federal and Other (409.3)	262-263				
77	Extraordinary Items After Taxes (line 75 less line 76)					
78	Net Income (Total of line 71 and 77)		4,025,758	1,964,087		

Name of Respondent Ohio Valley Electric Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/18/2007	Year/Period of Report End of 2006/Q4
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**STATEMENT OF RETAINED EARNINGS**

1. Do not report Lines 49-53 on the quarterly version.
2. Report all changes in appropriated retained earnings, unappropriated retained earnings, year to date, and unappropriated undistributed subsidiary earnings for the year.
3. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b)
4. State the purpose and amount of each reservation or appropriation of retained earnings.
5. List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.
6. Show dividends for each class and series of capital stock.
7. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
8. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
9. If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
	<b>UNAPPROPRIATED RETAINED EARNINGS (Account 216)</b>			
1	Balance-Beginning of Period		2,048,503	2,084,416
2	Changes			
3	Adjustments to Retained Earnings (Account 439)			
4				
5				
6				
7				
8				
9	TOTAL Credits to Retained Earnings (Acct. 439)			
10				
11				
12				
13				
14				
15	TOTAL Debits to Retained Earnings (Acct. 439)			
16	Balance Transferred from Income (Account 433 less Account 418.1)		4,025,758	1,964,087
17	Appropriations of Retained Earnings (Acct. 436)			
18				
19				
20				
21				
22	TOTAL Appropriations of Retained Earnings (Acct. 436)			
23	Dividends Declared-Preferred Stock (Account 437)			
24				
25				
26				
27				
28				
29	TOTAL Dividends Declared-Preferred Stock (Acct. 437)			
30	Dividends Declared-Common Stock (Account 438)			
31			-3,800,000	( 2,000,000)
32				
33				
34				
35				
36	TOTAL Dividends Declared-Common Stock (Acct. 438)		-3,800,000	( 2,000,000)
37	Transfers from Acct 216.1, Unapprop. Undistrib. Subsidiary Earnings			
38	Balance - End of Period (Total 1,9,15,16,22,29,36,37)		2,274,261	2,048,503
	<b>APPROPRIATED RETAINED EARNINGS (Account 215)</b>			

Name of Respondent Ohio Valley Electric Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/18/2007	Year/Period of Report End of 2006/Q4
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**STATEMENT OF RETAINED EARNINGS**

1. Do not report Lines 49-53 on the quarterly version.
2. Report all changes in appropriated retained earnings, unappropriated retained earnings, year to date, and unappropriated undistributed subsidiary earnings for the year.
3. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b)
4. State the purpose and amount of each reservation or appropriation of retained earnings.
5. List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.
6. Show dividends for each class and series of capital stock.
7. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
8. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
9. If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
39				
40				
41				
42				
43				
44				
45	TOTAL Appropriated Retained Earnings (Account 215)			
	APPROP. RETAINED EARNINGS - AMORT. Reserve, Federal (Account 215.1)			
46	TOTAL Approp. Retained Earnings-Amort. Reserve, Federal (Acct. 215.1)			
47	TOTAL Approp. Retained Earnings (Acct. 215, 215.1) (Total 45,46)			
48	TOTAL Retained Earnings (Acct. 215, 215.1, 216) (Total 38, 47) (216.1)		2,274,261	2,048,503
	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account Report only on an Annual Basis, no Quarterly			
49	Balance-Beginning of Year (Debit or Credit)			
50	Equity in Earnings for Year (Credit) (Account 418.1)			
51	(Less) Dividends Received (Debit)			
52				
53	Balance-End of Year (Total lines 49 thru 52)			

Name of Respondent Ohio Valley Electric Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/18/2007	Year/Period of Report End of 2006/Q4
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**STATEMENT OF CASH FLOWS**

(1) Codes to be used:(a) Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.  
(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.  
(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.  
(4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
1	Net Cash Flow from Operating Activities:		
2	Net Income (Line 78(c) on page 117)	4,025,758	1,964,087
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	15,145,659	4,643,286
5	Amortization of debt expense	627,022	2,822,612
6			
7			
8	Deferred Income Taxes (Net)	1,159,153	-17,393,734
9	Investment Tax Credit Adjustment (Net)		
10	Net (Increase) Decrease in Receivables	-2,449,856	-3,362,460
11	Net (Increase) Decrease in Inventory	638,692	-14,044,575
12	Net (Increase) Decrease in Allowances Inventory	-6,546,537	-27,081,135
13	Net Increase (Decrease) in Payables and Accrued Expenses	4,169,030	15,446,050
14	Net (Increase) Decrease in Other Regulatory Assets	-2,626,168	-11,827,142
15	Net Increase (Decrease) in Other Regulatory Liabilities	-2,781,262	12,864,286
16	(Less) Allowance for Other Funds Used During Construction		
17	(Less) Undistributed Earnings from Subsidiary Companies		
18	Other (provide details in footnote):	21,741,763	6,971,127
19	Gain on disposal of assets	1,858	3,354
20			
21			
22	Net Cash Provided by (Used in) Operating Activities (Total 2 thru 21)	33,105,112	-28,994,244
23			
24	Cash Flows from Investment Activities:		
25	Construction and Acquisition of Plant (including land):		
26	Gross Additions to Utility Plant (less nuclear fuel)	-86,886,891	-12,802,162
27	Gross Additions to Nuclear Fuel		
28	Gross Additions to Common Utility Plant		
29	Gross Additions to Nonutility Plant		
30	(Less) Allowance for Other Funds Used During Construction		
31	Other (provide details in footnote):		
32			
33			
34	Cash Outflows for Plant (Total of lines 26 thru 33)	-86,886,891	-12,802,162
35			
36	Acquisition of Other Noncurrent Assets (d)		
37	Proceeds from Disposal of Noncurrent Assets (d)		
38			
39	Investments in and Advances to Assoc. and Subsidiary Companies	7,437,293	
40	Contributions and Advances from Assoc. and Subsidiary Companies		
41	Disposition of Investments in (and Advances to)		
42	Associated and Subsidiary Companies		
43			
44	Purchase of Investment Securities (a)		
45	Proceeds from Sales of Investment Securities (a)		

Name of Respondent Ohio Valley Electric Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/18/2007	Year/Period of Report End of 2006/Q4
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**STATEMENT OF CASH FLOWS**

- (1) Codes to be used:(a) Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.
- (2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.
- (3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.
- (4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
46	Loans Made or Purchased		
47	Collections on Loans		
48			
49	Net (Increase) Decrease in Receivables		
50	Net (Increase ) Decrease in Inventory		
51	Net (Increase) Decrease in Allowances Held for Speculation		
52	Net Increase (Decrease) in Payables and Accrued Expenses		
53	Other (provide details in footnote):		
54			
55			
56	Net Cash Provided by (Used in) Investing Activities		
57	Total of lines 34 thru 55)	-79,449,598	-12,802,162
58			
59	Cash Flows from Financing Activities:		
60	Proceeds from Issuance of:		
61	Long-Term Debt (b)	445,000,000	50,000,000
62	Preferred Stock		
63	Common Stock		
64	Other (provide details in footnote):		
65	Loan Origination Costs	-1,191,444	-3,641,285
66	Net Increase in Short-Term Debt (c)		
67	Other (provide details in footnote):		
68			
69			
70	Cash Provided by Outside Sources (Total 61 thru 69)	443,808,556	46,358,715
71			
72	Payments for Retirement of:		
73	Long-term Debt (b)	-401,036,789	
74	Preferred Stock		
75	Common Stock		
76	Other (provide details in footnote):		
77			
78	Net Decrease in Short-Term Debt (c)		
79			
80	Dividends on Preferred Stock		
81	Dividends on Common Stock	-3,800,000	-2,000,000
82	Net Cash Provided by (Used in) Financing Activities		
83	(Total of lines 70 thru 81)	38,971,767	44,358,715
84			
85	Net Increase (Decrease) in Cash and Cash Equivalents		
86	(Total of lines 22,57 and 83)	-7,372,719	2,562,309
87			
88	Cash and Cash Equivalents at Beginning of Period	65,997,713	63,435,404
89			
90	Cash and Cash Equivalents at End of period	58,624,994	65,997,713

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Ohio Valley Electric Corporation	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 05/18/2007	2006/Q4
FOOTNOTE DATA			

**Schedule Page: 120 Line No.: 18 Column: b**

Other:

Property Taxes Applicable to Subsequent Years	\$	(126,000)
Prepays and Other		47,170
Refundable Federal Income Taxes		23,947,822
Other noncurrent assets		(236,999)
Deferred Revenue		(1,950,169)
Asset Retirement Obligations		522,830
Postretirement benefit liabilities		(462,891)
	\$	<u>21,741,763</u>

**Schedule Page: 120 Line No.: 18 Column:**

Other:

Property Taxes Applicable to Subsequent Years	\$	(566,950)
Prepays and Other		9,599
Refundable Federal Income Taxes		(129,713)
Refundable State Income Taxes		(107,851)
Other noncurrent assets		299,271
Deferred Revenue		3,879,541
Asset Retirement Obligations		3,713,857
Postretirement benefit liabilities		(126,627)
	\$	<u>6,971,127</u>

Name of Respondent Ohio Valley Electric Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report 05/18/2007	Year/Period of Report End of <u>2006/Q4</u>
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**NOTES TO FINANCIAL STATEMENTS**

1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Cash Flows, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.
2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.
3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and plan of disposition contemplated, giving references to Commission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.
4. Where Accounts 189, Unamortized Loss on Recquired Debt, and 257, Unamortized Gain on Recquired Debt, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform System of Accounts.
5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
6. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 114-121, such notes may be included herein.
7. For the 3Q disclosures, respondent must provide in the notes sufficient disclosures so as to make the interim information not misleading. Disclosures which would substantially duplicate the disclosures contained in the most recent FERC Annual Report may be omitted.
8. For the 3Q disclosures, the disclosures shall be provided where events subsequent to the end of the most recent year have occurred which have a material effect on the respondent. Respondent must include in the notes significant changes since the most recently completed year in such items as: accounting principles and practices; estimates inherent in the preparation of the financial statements; status of long-term contracts; capitalization including significant new borrowings or modifications of existing financing agreements; and changes resulting from business combinations or dispositions. However were material contingencies exist, the disclosure of such matters shall be provided even though a significant change since year end may not have occurred.
9. Finally, if the notes to the financial statements relating to the respondent appearing in the annual report to the stockholders are applicable and furnish the data required by the above instructions, such notes may be included herein.

PAGE 122 INTENTIONALLY LEFT BLANK  
SEE PAGE 123 FOR REQUIRED INFORMATION.

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Ohio Valley Electric Corporation	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	05/18/2007	2006/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

## OHIO VALLEY ELECTRIC CORPORATION AND SUBSIDIARY COMPANY

### NOTES TO CONSOLIDATING FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

#### 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

**Basis of Presentation**—The accompanying financial statements are prepared on the regulatory basis of accounting in accordance with the requirements of the Federal Energy Regulatory Commission (“FERC”), which is a comprehensive basis of accounting other than generally accepted accounting principles (“GAAP”).

**Consolidating Financial Statements**—The financial statements include the accounts of Ohio Valley Electric Corporation (“OVEC”) and its wholly owned subsidiary, Indiana-Kentucky Electric Corporation (“IKEC”), collectively, “the Companies”. All intercompany transactions have been eliminated in consolidation.

**Organization**—The Companies own two generating stations located in Ohio and Indiana with a combined electric production capability of approximately 2,256 megawatts (“MW”). OVEC is owned by several investor-owned utilities or utility holding companies and an affiliate of a generation and transmission rural electric cooperative. These entities and their affiliates comprise the Sponsoring Companies. The Sponsoring Companies purchase power from OVEC according to the terms of the Inter-Company Power Agreement (“ICPA”). In 2004, an Amended and Restated ICPA was unanimously approved by the Sponsoring Companies and OVEC extending the term of the ICPA for an additional 20 years from March 13, 2006 to March 13, 2026. Approximately 27% of the Companies’ employees are covered by a collective bargaining agreement that expires August 31, 2008.

**Rate Regulation**—The proceeds from the sale of power to the Sponsoring Companies are designed to be sufficient for OVEC to meet its operating expenses and fixed costs, as well as earn a return on equity before federal income taxes. In addition, the proceeds from power sales are designed to cover debt amortization and interest expense associated with financings. The Companies have continued and expect to continue to operate pursuant to the cost plus rate of return recovery provisions at least to March 13, 2026, the date of termination of the Amended and Restated ICPA.

Statement of Financial Accounting Standards (“SFAS”) No. 71, *Accounting for the Effects of Certain Types of Regulation*, provides that rate-regulated utilities account for and report assets and liabilities consistent with the economic effect of the way in which rates are established, if the rates established are designed to recover the costs of providing the regulated service and it is probable that such rates can be charged and collected. The Companies follow the accounting and reporting requirements of SFAS No. 71. Certain expenses and credits subject to utility regulation or rate determination normally reflected in income are deferred on the balance sheet and are recognized in income as the related amounts are included in service rates and recovered from or refunded to customers.

The Companies’ regulatory assets, liabilities, and amounts authorized for recovery through regulatory orders at December 31, 2006 and 2005, were as follows:



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NOTES TO FINANCIAL STATEMENTS (Continued)			

	2006		2005	
	OVEC	IKEC	OVEC	IKEC
<b>Regulatory assets:</b>				
Asset retirement costs	\$ 3,316,838	\$ 14,360,218	\$ 3,713,857	\$ 14,964,970
Unrecognized pension benefits			1,881,715	1,706,727
Unrecognized postemployment benefits	1,869,278	1,353,537	1,868,626	1,423,277
Deferred depreciation	<u>22,264,835</u>	<u>14,874,586</u>	<u>17,360,585</u>	<u>14,874,586</u>
<b>Total regulatory assets</b>	<b><u>\$ 27,450,951</u></b>	<b><u>\$ 30,588,341</u></b>	<b><u>\$ 24,824,783</u></b>	<b><u>\$ 32,969,560</u></b>
<b>Regulatory liabilities:</b>				
Postretirement benefits	\$ 15,279,174	\$ -	\$ 17,051,220	\$ -
Investment tax credits	3,393,146		3,393,146	
Net antitrust settlement	673,070	1,150,859	673,070	1,150,859
Income taxes refundable to customers	36,515,896	7,424,453	29,799,669	15,550,696
Deferred credit—EPA emission allowance proceeds			2,070,044	1,025,351
Advance collection of interest	<u>1,060,828</u>			
<b>Total regulatory liabilities</b>	<b><u>\$ 56,922,114</u></b>	<b><u>\$ 8,575,312</u></b>	<b><u>\$ 52,987,149</u></b>	<b><u>\$ 17,726,906</u></b>

**Cash and Cash Equivalents**—For purposes of these statements, the Companies consider temporary cash investments to be cash equivalents since they are readily convertible into cash and have original maturities of less than three months.

**Electric Plant**—Property additions and replacements are charged to utility plant accounts. Depreciation expense is recorded at the time property additions and replacements are billed to customers or at the date the property is placed in service if the in-service date occurs subsequent to the customer billing. Customer billings for construction in progress are recorded as deferred revenue-advances for construction. These amounts are closed to revenue at the time the related property is placed in service. Deferred depreciation, depreciation expense, and accumulated depreciation are recorded when financed property additions and replacements are recovered over a period of years through customer debt retirement billing. Repairs of property are charged to maintenance expense.

**Fuel in Storage, Reagents, Emission Allowances, and Materials and Supplies**—The Companies maintain coal, reagent, and oil inventories for use in the generation of electricity and emission allowance inventories for regulatory compliance purposes due to the generation of electricity. These inventories are valued at average cost. Materials and supplies consist primarily of replacement parts necessary to maintain the generating facilities and are valued at average cost.

**Unamortized Debt Expense**—Unamortized debt expense relates to loan origination costs incurred to secure financing (see Note 4). These costs are being amortized over the life of the related loans.

**Asset Retirement Obligations and Accrued Cost of Removal**—The Companies recognize the fair value of legal obligations associated with the retirement or removal of long-lived assets at the time the obligations are incurred and

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NOTES TO FINANCIAL STATEMENTS (Continued)			

can be reasonably estimated. The initial recognition of this liability is accompanied by a corresponding increase in depreciable electric plant. Subsequent to the initial recognition, the liability is adjusted for any revisions to the expected value of the retirement obligation (with corresponding adjustments to electric plant) and for accretion of the liability due to the passage of time.

These asset retirement obligations primarily related to obligations associated with future asbestos abatement at certain generating stations and certain plant closure costs. As of December 31, 2006 and 2005, the Companies had a regulatory asset of \$17.7 million and \$18.7 million, respectively, related to asset retirement obligations.

The Companies do not recognize liabilities for asset retirement obligations for which the fair value cannot be reasonably estimated. The Companies have asset retirement obligations associated with transmission assets and river structures at certain generating stations. However, the retirement date for these assets cannot be determined; therefore, the fair value of the associated liability currently cannot be estimated and no amounts are recognized in the financial statements herein.

*Use of Estimates*—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## 2. RELATED-PARTY TRANSACTIONS

Transactions with the Sponsoring Companies during 2006 and 2005 included the sale of all generated power to them, the purchase of Arranged Power from them and other utility systems in order to meet the DOE's power requirements, contract barging services, railcar services, and minor transactions for services and materials. The Companies had a Lease Agreement with Louisville Gas and Electric Company that terminated in March 2006 and a Facility Agreement with The Cincinnati Gas & Electric Company that terminated in September 2006. The Companies have Power Agreements with Louisville Gas and Electric Company, The Cincinnati Gas & Electric Company, The Dayton Power and Light Company, Kentucky Utilities Company, Ohio Edison Company, and American Electric Power Service Corporation as agent for the American Electric Power System Companies; and Transmission Service Agreements with Louisville Gas and Electric Company, The Cincinnati Gas & Electric Company, The Dayton Power and Light Company, The Toledo Edison Company, Ohio Edison Company, Kentucky Utilities Company, and American Electric Power Service Corporation as agent for the American Electric Power System Companies.

In September 2006, the Companies sold two transformers and associated equipment to The Cincinnati Gas & Electric Company for a total maximum purchase price of \$3 million, which subject to the terms of the asset purchase agreement is payable in equal annual installments over 10 years.

At December 31, 2006 and 2005, balances due from or to the Sponsoring Companies are as follows:

	2006	2005
Accounts receivable	\$20,395,954	\$28,752,000
Accounts payable		79,261

American Electric Power Company, Inc. and a subsidiary company owned 43.47% of the common stock of OVEC as of December 31, 2006. The following is a summary of the principal services received from the American Electric

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Ohio Valley Electric Corporation			
NOTES TO FINANCIAL STATEMENTS (Continued)			

Power Service Corporation as authorized by the Companies' Boards of Directors:

	2006	2005
General services	\$1,827,629	\$2,461,511
Specific projects	<u>7,081,180</u>	<u>4,748,139</u>
Total	<u>\$8,908,809</u>	<u>\$7,209,650</u>

General services consist of regular recurring operation and maintenance services. Specific projects primarily represent nonrecurring plant construction projects and engineering studies, which are approved by the Companies' Boards of Directors. The services are provided in accordance with the service agreement dated December 15, 1956, between the Companies and the American Electric Power Service Corporation.

### 3. COAL SUPPLY

The Companies have coal supply agreements with certain nonaffiliated companies that expire at various dates from the year 2007 through 2017. Pricing for coal under these contracts is subject to contract provisions and adjustments. The Companies currently have approximately 94% of their coal requirements under long-term agreements of one year or greater.

### 4. BORROWING ARRANGEMENTS AND SENIOR NOTES

OVEC has an unsecured bank revolving line of credit agreement with a borrowing limit of \$200 million as of December 31, 2006. The \$200 million line of credit has an expiration date of August 4, 2010. At December 31, 2006 and 2005, OVEC had borrowed \$50 million and \$80 million, respectively, under this line of credit. Interest expense related to line of credit borrowings was \$2,265,749 in 2006 and \$1,777,767 in 2005. During 2006 and 2005, OVEC incurred annual commitment fees of \$313,500 and \$166,542, respectively, based on the borrowing limits of the line of credit.

In February 2006, OVEC issued \$445 million unsecured senior notes ("2006 Notes") in a private placement. The 2006 Notes bear an annual fixed interest rate of 5.80% payable semiannually on February 15 and August 15 of each year, until maturity on February 15, 2026. OVEC used the proceeds from this issuance to redeem the 2001 Notes (as described below), the variable rate unsecured term loan, and to repay \$70 million of line of credit borrowings. At December 31, 2006, OVEC had \$439 million outstanding related to the 2006 Notes. Interest expense related to the 2006 Notes was \$24.2 million in 2006.

At December 31, 2005, OVEC had \$305 million in secured senior notes ("2001 Notes") outstanding. The 2001 Notes bore an annual fixed interest rate of 5.94% payable semiannually on February 12 and August 12 of each year. The 2001 Notes matured on February 12, 2006, and the Company redeemed these notes upon maturity with the proceeds from the 2006 Notes. The 2001 Notes had been secured by a collateral assignment of the right of OVEC to receive certain payments from the Sponsoring Companies pursuant to the ICPA and insured by a financial guarantee insurance policy.

Debt maturities on the 2006 Notes at December 31, 2006, are as follows:

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Years Ending December 31	
2007	\$ 12,603,856
2008	13,345,480
2009	14,130,741
2010	14,962,207
2011	15,842,599
2012-2026	<u>368,078,328</u>
Total	<u>\$ 438,963,211</u>

## 5. INCOME TAXES

OVEC and IKEC file a consolidated federal income tax return. OVEC and IKEC record deferred tax assets and liabilities based on differences between book and tax bases of assets and liabilities measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. Deferred tax assets and liabilities are adjusted for changes in tax rates. The deferred tax assets recorded in the accompanying balance sheets consist primarily of the net deferred taxes on depreciation differences, postretirement benefits obligation, regulatory assets, regulatory liabilities, and net operating loss carryforwards.

To the extent that OVEC has not reflected credits in customer billings for deferred tax assets, the Companies have recorded a regulatory liability representing income taxes refundable to customers under the applicable agreements among the parties. This liability was \$43,940,348 at December 31, 2006, and \$45,350,365 at December 31, 2005.

A reconciliation of the federal statutory rate to taxes on income for the years ended December 31, 2006 and 2005, is as follows:

	2006	2005
Tax expense at statutory rate	\$1,814,718	\$1,093,652
Temporary differences flowed through to customer bills	(694,950)	95,715
Permanent differences	<u>39,382</u>	<u>(28,733)</u>
Federal income tax expense	<u>\$1,159,150</u>	<u>\$1,160,634</u>
Effective tax rate	22.1 %	37.1 %

Federal income tax expense for the years ended December 31, 2006 and 2005, consists of the following:

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NOTES TO FINANCIAL STATEMENTS (Continued)			

	2006	2005
Federal income tax currently payable (refundable)	\$ -	\$ -
Deferred income taxes:		
Depreciation and other plant-related items	7,222,504	12,485,193
Postretirement benefit expense	(333,835)	803,604
NOL carryover	(3,478,939)	(12,492,732)
D&D Liability	(952,875)	
Other—net	(1,297,705)	364,569
Total federal income tax expense	<u>\$ 1,159,150</u>	<u>\$ 1,160,634</u>

For federal income tax purposes, OVEC has alternative minimum tax credit carryforwards of approximately \$1.5 million, which are not limited by expiration dates, and net operating tax loss carryforwards of approximately \$69.3 million, which begin to expire in 2025. Management periodically assesses the need for a valuation allowance on deferred tax assets. As of December 31, 2006 and 2005, management believes that realization of the Companies' deferred tax assets is more likely than not.

#### 6. PENSION PLAN AND OTHER POSTRETIREMENT AND POSTEMPLOYMENT BENEFITS

The Companies have a noncontributory qualified defined benefit pension plan (the "Plan") covering substantially all of their employees. The benefits are based on years of service and each employee's highest consecutive 36-month compensation period. Employees are vested in the Plan after five years of service with the Companies.

Funding for the Plan is based on actuarially determined contributions, the maximum of which is generally the amount deductible for income tax purposes and the minimum being that required by the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended. The full cost of the pension benefits and related obligations has been allocated to OVEC and IKEC in the accompanying financial statements. The allocated amounts represent approximately a 53% and 47% split and a 52% and 48% split for OVEC and IKEC, respectively, as of December 31, 2006 and 2005. The Plan's assets consist of investments in equity and debt securities.

In addition to the Plan, the Companies provide certain health care and life insurance benefits for retired employees. Substantially all of the Companies' employees become eligible for these benefits if they reach retirement age while working for the Companies. These and similar benefits for active employees are provided through employer funding and insurance policies. In December 2004, the Companies established Voluntary Employee Beneficiary Association ("VEBA") trusts. The main objectives of the VEBA trusts are to maintain the purchasing power of the current assets and all future contributions, to have the ability to pay all benefits and expense obligations when due, to achieve a "funding cushion" to maximize return within prudent levels of risk and to control the cost of administering the Plan and managing investments. The investment horizon for the Plan and VEBA trusts is greater than five years and the strategic asset allocation is based on a long-term perspective. The Plan portfolio's target asset allocation is 40% equity securities and 60% debt securities. The VEBA trusts' assets have been invested in debt securities until the Companies finalize their evaluation of their target asset allocation, which is anticipated to be completed during 2007.

The asset allocation for the Plan and VEBA trusts at December 31, 2006 and 2005, by asset category was as follows:

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NOTES TO FINANCIAL STATEMENTS (Continued)			

Asset Category	Pension Plan		VEBA Trusts	
	2006	2005	2006	2005
Equity securities	27 %	20 %	0 %	0 %
Debt securities	73	80	100	100

The following is an estimate of retired employee benefit payments, at December 31, 2006, which reflect future service:

Years Ending December 31,	Pension Plan	Other Postretirement Benefits
2007	\$ 7,447,811	\$ 3,193,506
2008	7,690,306	3,685,604
2009	8,120,483	4,112,442
2010	8,557,213	4,647,009
2011	8,917,755	5,009,928
Five years thereafter	51,499,346	29,802,781

The Companies expect to contribute \$3,200,000 and \$6,200,000 in 2007 to the pension and other postretirement benefit plans, respectively.

Employer contributions, employee contributions, and distributions to participants for 2006 and 2005 were as follows:

	Pension Benefits		Other Postretirement Benefits	
	2006	2005	2006	2005
Employer contributions	\$6,867,974	\$4,493,338	\$5,239,633	\$7,591,963
Employee contributions			530,415	453,541
Distributions to participants	7,162,445	6,934,735	3,070,048	3,245,504

The following table sets forth the amounts recognized in the accompanying balance sheet as of December 31, 2006 and 2005, utilizing actuarial measurement dates of December 31, 2006 and 2005:

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NOTES TO FINANCIAL STATEMENTS (Continued)			

	Pension		Other	
	Benefits		Postretirement	
	2006	2005	2006	2005
Benefit obligation	\$ 161,065,647	\$163,765,042	\$102,541,624	\$108,462,473
Fair value of plan assets	<u>169,811,906</u>	<u>158,420,609</u>	<u>55,395,876</u>	<u>50,634,645</u>
Funded status	8,746,259	(5,344,433)	(47,145,748)	(57,827,828)
Unrecognized net (gain) loss	(11,609,405)	(2,044,592)	10,772,174	24,558,892
Unrecognized prior service cost	<u>2,863,146</u>	<u>3,800,583</u>	<u>(2,659,000)</u>	<u>(3,038,000)</u>
Accrued benefit cost recognized in the balance sheet	<u>\$ -</u>	<u>\$ (3,588,442)</u>	<u>\$ (39,032,574)</u>	<u>\$ (36,306,936)</u>

The accumulated benefit obligation for the Plan was \$136,908,944 and \$137,138,860 at December 31, 2006 and 2005, respectively.

The Companies record the expected cost of postretirement benefits over the service period during which such benefits are earned.

Pension expense is recognized as amounts are contributed to the Plan and billed to customers. The accumulated difference between recorded pension expense and the yearly net periodic pension expense as calculated under SFAS No. 87 *Employers' Accounting for Pensions*, is billable as a cost of operations under the ICPA and Amended and Restated ICPA when contributed to the pension fund. This accumulated difference has been recorded as a regulatory asset in the accompanying balance sheets.

	Pension		Other	
	Benefits		Postretirement	
	2006	2005	2006	2005
Service cost	\$ 4,356,085	\$ 3,889,253	\$ 3,472,018	\$ 3,419,901
Interest cost	8,851,977	8,647,757	6,109,287	6,548,515
Expected return on plan assets	(10,865,967)	(10,489,963)	(2,407,019)	(3,011,049)
Amortization of transition (asset) obligation				
Amortization of prior service cost	937,437	940,437	(379,000)	(379,000)
Recognized actuarial loss	<u>                    </u>	<u>                    </u>	<u>1,169,985</u>	<u>1,854,463</u>
Benefit cost	<u>\$ 3,279,532</u>	<u>\$ 2,987,484</u>	<u>\$ 7,965,271</u>	<u>\$ 8,432,830</u>
Pension and other postretirement benefits expense recognized in statement of income and retained earnings and billed to Sponsoring Companies under the ICPA	<u>\$ 6,867,974</u>	<u>\$ 4,493,338</u>	<u>\$ 3,070,048</u>	<u>\$ 3,245,504</u>

The weighted-average assumptions used to determine benefit obligations for the years ended December 31, 2006 and 2005, were as follows:

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NOTES TO FINANCIAL STATEMENTS (Continued)			

	Pension Benefits		Other Postretirement Benefits	
	2006	2005	2006	2005
	Discount rate	5.90 %	5.60 %	5.90 %
Rate of compensation increase	4.00	4.00	4.00	4.00

The weighted-average assumptions used to determine net periodic benefit cost for the years ended December 31, 2006 and 2005, were as follows:

	Pension Benefits		Other Postretirement Benefits	
	2006	2005	2006	2005
	Discount rate	5.60 %	6.00 %	5.75 %
Expected long-term return on plan assets	7.00	7.00	5.00	7.00
Rate of compensation increase	4.00	4.00	4.00	4.00

In selecting the expected long-term rate of return on assets, the Companies considered the average rate of earnings expected on the funds invested or to be invested to provide for plan benefits. This included considering the trusts' assets allocation as well as the target asset allocations for the future, and the expected returns likely to be earned over the life of the plan. This basis is consistent with the prior year.

The Companies follow SFAS No. 112, *Employers' Accounting for Postemployment Benefits*, and accrue the estimated cost of benefits provided to former or inactive employees after employment but before retirement. Such benefits include, but are not limited to, salary continuations, supplemental unemployment, severance, disability (including workers' compensation), job training, counseling, and continuation of benefits, such as health care and life insurance coverage. The cost of such benefits and related obligations has been allocated to OVEC and IKEC in the accompanying financial statements. The allocated amounts represent approximately a 58% and 42% split between OVEC and IKEC, respectively, as of December 31, 2006, and approximately a 57% and 43% split between OVEC and IKEC, respectively, as of December 31, 2005. The liability is offset with a corresponding regulatory asset and represents unrecognized postemployment benefits billable in the future to customers. The accrued cost of such benefits was \$3,222,815 and \$3,291,903 at December 31, 2006 and 2005, respectively.

On December 8, 2003, the President of the United States of America signed into law the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (the "Act"). The Act introduced a prescription drug benefit to retirees as well as a federal subsidy to sponsors of retiree health care benefit plans that provide a prescription drug benefit that is actuarially equivalent to the benefit provided by Medicare. The Companies believe that the coverage for prescription drugs is at least actuarially equivalent to the benefits provided by Medicare for most current retirees because the benefits for that group substantially exceed the benefits provided by Medicare, thereby allowing the Companies to qualify for the subsidy. The Companies have accounted for the subsidy as a reduction of Accumulated Postretirement Benefit Obligation ("APBO"). The APBO was reduced by approximately \$4.1 million and will be amortized as an actuarial gain over future periods, thus reducing future benefit costs. The impact on the Companies' 2005 and 2006 net periodic benefit costs was not material. The accounting treatment for the subsidy is consistent with Financial Accounting Standards Board ("FASB") Staff Position No. 106-2, *Accounting and Disclosure Requirements Related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003*.

The Companies have a trustee-defined contribution supplemental pension and savings plan that includes 401(k)



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features and is available to employees who have met eligibility requirements. The Companies' contributions to the savings plan are made in amounts equal to 50% of the employee-participants' contributions up to 6% of regular compensation. Benefits to participating employees are based solely upon amounts contributed to the participants' accounts and investment earnings. By its nature, the plan is fully funded at all times. The employer contributions for 2006 and 2005 were \$1,182,408 and \$1,145,672, respectively.

**7. ENVIRONMENTAL MATTERS**

Title IV of the 1990 Clean Air Act Amendments required the Companies to reduce sulfur dioxide ("SO<sub>2</sub>") emissions in two phases: Phase I in 1995 and Phase II in 2000. The Companies selected a fuel switching strategy to comply with the emission reduction requirements. The Companies also purchased additional SO<sub>2</sub> allowances. The cost of these purchased allowances was inventoried and included on an average cost basis in the cost of fuel consumed when used. The cost of unused allowances at December 31, 2006 and 2005, was \$34,062,986 and \$27,516,449, respectively.

Title IV of the 1990 Clean Air Act Amendments also required the Companies to comply with a NO<sub>x</sub> emission rate limit of 0.84 lb/mmBtu in 2000. The Companies installed overfire air systems on all eleven units at the plants to comply with this limit. The total capital cost of the eleven overfire air systems was approximately \$8.2 million.

During 2002 and 2003, Ohio and Indiana finalized respective NO<sub>x</sub> State Implementation Plan ("SIP") Call regulations that required further significant NO<sub>x</sub> emission reductions for coal-burning power plants during the ozone control period (May through September). The Companies installed selective catalytic reduction ("SCR") systems on ten of its eleven units to comply with these rules. The total capital cost of the ten SCRs was approximately \$355 million.

On March 10, 2005, the U.S. EPA signed the Clean Air Interstate Rule ("CAIR") that will require significant further reductions of SO<sub>2</sub> and NO<sub>x</sub> emissions from coal-burning power plants. On March 15, 2005, the U.S. EPA also signed the Clean Air Mercury Rule ("CAMR") that will require significant mercury emission reductions for coal-burning power plants. These emission reductions will be required in two phases: 2009 and 2015 for NO<sub>x</sub>; 2010 and 2015 for SO<sub>2</sub>; and 2010 and 2018 for mercury. Ohio and Indiana are currently in the process of finalizing their respective versions of CAIR and CAMR, and the Companies are continuing the necessary engineering and permitting required to install the necessary additional emissions control equipment to comply with the new rules. It currently is anticipated that flue gas desulfurization systems will be installed at both plants to reduce SO<sub>2</sub> and mercury emissions from all eleven units. The cost of the flue gas desulfurization systems and the associated landfills is estimated not to exceed \$1.15 billion.

**8. DISCLOSURES ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS**

SFAS No. 107, *Disclosures about Fair Value of Financial Instruments*, requires disclosure of the fair value of certain financial instruments. For purposes of this disclosure, the fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Fair value may be based on quoted market prices for the same or similar financial instruments or on valuation techniques such as the present value of estimated future cash flows using a discount rate commensurate with the risks involved.

The estimates of fair value under SFAS No. 107 require the application of broad assumptions and estimates. Accordingly, any actual exchange of such financial instruments could occur at values significantly different from

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the amounts disclosed. As cash and cash equivalents, current receivables, current payables, and line of credit borrowings are all short term in nature, their carrying amounts approximate fair value. Since the unsecured term loan bears interest at a variable rate, its carrying amount also approximates fair value. The fair values of the 2006 Notes and 2001 Notes were estimated using discounted cash flow analyses based on current incremental borrowing rates for similar types of borrowing arrangements.

The fair values and recorded values of the 2006 Notes and 2001 Notes as of December 31, 2006 and 2005, are as follows:

	2006	2005
<b>2006 Notes</b>		
Fair value	\$438,963,211	\$ -
Recorded value	438,963,211	
<b>2001 Notes</b>		
Fair value	\$ -	\$305,061,000
Recorded value		305,000,000

## 9. OPERATING LEASES

OVEC has entered into operating leases to secure railcars for the transportation of coal in connection with the fuel switching modifications at the OVEC and IKEC generating stations. OVEC has railcar lease agreements that extend as far as December 31, 2025, with options to exit the leases under certain conditions.

Future minimum lease payments for operating leases at December 31, 2006, are as follows:

Years Ending December 31	
2007	\$ 4,767,379
2008	4,789,219
2009	4,782,979
2010	4,814,179
2011	3,365,326
Thereafter	<u>32,466,237</u>
Total future minimum lease payments	<u>\$54,985,319</u>

The annual lease cost incurred was \$4,739,450 and \$2,786,182 for 2006 and 2005, respectively.

## 10. COMMITMENTS AND CONTINGENCIES

The Companies are party in or may be affected by various matters under litigation. Management believes that the ultimate outcome of these matters will not have a significant adverse effect on either the Companies' future results of operation or financial position.

## 11. NEW ACCOUNTING STANDARDS

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As required, in 2007 the Companies will adopt SFAS 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans* ("SFAS No. 158"). SFAS No. 158 requires companies to recognize the over-funded and under-funded status of defined benefit pension and other postretirement plans as assets or liabilities on their balance sheets and to recognize changes in that funded status, in the year in which changes occur. Upon adoption of SFAS No. 158 on January 1, 2007, the Companies will recognize prepaid expense in the amount of \$4,871,823 relating to the over-funded status of the pension plan with a corresponding increase in regulatory liabilities. The Companies will also record an increase in the postretirement benefits obligation in the amount of \$8,113,174 with a corresponding decrease in the regulatory liability for postretirement benefits. The Companies anticipate that the adoption of SFAS No. 158 will have no impact on earnings or stockholders' equity.

In July 2006, the FASB issued FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes* ("FIN 48"). FIN 48 addresses the accounting and disclosure of uncertain tax positions. The Companies will adopt FIN 48 in 2007. The Companies are evaluating the impact, if any, that FIN 48 will have on the financial statements.

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**SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS  
FOR DEPRECIATION, AMORTIZATION AND DEPLETION**

Report in Column (c) the amount for electric function, in column (d) the amount for gas function, in column (e), (f), and (g) report other (specify) and in column (h) common function.

Line No.	Classification (a)	Total Company for the Current Year/Quarter Ended (b)	Electric (c)
1	Utility Plant		
2	In Service		
3	Plant in Service (Classified)	577,048,301	577,048,301
4	Property Under Capital Leases		
5	Plant Purchased or Sold		
6	Completed Construction not Classified		
7	Experimental Plant Unclassified		
8	Total (3 thru 7)	577,048,301	577,048,301
9	Leased to Others		
10	Held for Future Use		
11	Construction Work in Progress	58,388,235	58,388,235
12	Acquisition Adjustments		
13	Total Utility Plant (8 thru 12)	635,436,536	635,436,536
14	Accum Prov for Depr, Amort, & Depl	362,739,153	362,739,153
15	Net Utility Plant (13 less 14)	272,697,383	272,697,383
16	Detail of Accum Prov for Depr, Amort & Depl		
17	In Service:		
18	Depreciation	362,739,153	362,739,153
19	Amort & Depl of Producing Nat Gas Land/Land Right		
20	Amort of Underground Storage Land/Land Rights		
21	Amort of Other Utility Plant		
22	Total In Service (18 thru 21)	362,739,153	362,739,153
23	Leased to Others		
24	Depreciation		
25	Amortization and Depletion		
26	Total Leased to Others (24 & 25)		
27	Held for Future Use		
28	Depreciation		
29	Amortization		
30	Total Held for Future Use (28 & 29)		
31	Abandonment of Leases (Natural Gas)		
32	Amort of Plant Acquisition Adj		
33	Total Accum Prov (equals 14) (22,26,30,31,32)	362,739,153	362,739,153

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**SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS  
FOR DEPRECIATION, AMORTIZATION AND DEPLETION**

Gas (d)	Other (Specify) (e)	Other (Specify) (f)	Other (Specify) (g)	Common (h)	Line No.
					1
					2
					3
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**ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106)**

- Report below the original cost of electric plant in service according to the prescribed accounts.
- In addition to Account 101, Electric Plant in Service (Classified), this page and the next include Account 102, Electric Plant Purchased or Sold; Account 103, Experimental Electric Plant Unclassified; and Account 106, Completed Construction Not Classified-Electric.
- Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.
- For revisions to the amount of initial asset retirement costs capitalized, included by primary plant account, increases in column (c) additions and reductions in column (e) adjustments.
- Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.
- Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d)

Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)
1	1. INTANGIBLE PLANT		
2	(301) Organization	18,924	
3	(302) Franchises and Consents		
4	(303) Miscellaneous Intangible Plant		
5	TOTAL Intangible Plant (Enter Total of lines 2, 3, and 4)	18,924	
6	2. PRODUCTION PLANT		
7	A. Steam Production Plant		
8	(310) Land and Land Rights	469,124	
9	(311) Structures and Improvements	49,192,881	6,704,876
10	(312) Boiler Plant Equipment	331,471,667	44,088,580
11	(313) Engines and Engine-Driven Generators		
12	(314) Turbogenerator Units	57,971,649	5,636,469
13	(315) Accessory Electric Equipment	16,759,112	402,301
14	(316) Misc. Power Plant Equipment	10,193,979	855,597
15	(317) Asset Retirement Costs for Steam Production		
16	TOTAL Steam Production Plant (Enter Total of lines 8 thru 15)	466,058,412	57,687,823
17	B. Nuclear Production Plant		
18	(320) Land and Land Rights		
19	(321) Structures and Improvements		
20	(322) Reactor Plant Equipment		
21	(323) Turbogenerator Units		
22	(324) Accessory Electric Equipment		
23	(325) Misc. Power Plant Equipment		
24	(326) Asset Retirement Costs for Nuclear Production		
25	TOTAL Nuclear Production Plant (Enter Total of lines 18 thru 24)		
26	C. Hydraulic Production Plant		
27	(330) Land and Land Rights		
28	(331) Structures and Improvements		
29	(332) Reservoirs, Dams, and Waterways		
30	(333) Water Wheels, Turbines, and Generators		
31	(334) Accessory Electric Equipment		
32	(335) Misc. Power PLant Equipment		
33	(336) Roads, Railroads, and Bridges		
34	(337) Asset Retirement Costs for Hydraulic Production		
35	TOTAL Hydraulic Production Plant (Enter Total of lines 27 thru 34)		
36	D. Other Production Plant		
37	(340) Land and Land Rights		
38	(341) Structures and Improvements		
39	(342) Fuel Holders, Products, and Accessories		
40	(343) Prime Movers		
41	(344) Generators		
42	(345) Accessory Electric Equipment		
43	(346) Misc. Power Plant Equipment		
44	(347) Asset Retirement Costs for Other Production		
45	TOTAL Other Prod. Plant (Enter Total of lines 37 thru 44)		
46	TOTAL Prod. Plant (Enter Total of lines 16, 25, 35, and 45)	466,058,412	57,687,823

Name of Respondent Ohio Valley Electric Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/18/2007	Year/Period of Report End of <u>2006/Q4</u>
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**ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)**

distributions of these tentative classifications in columns (c) and (d), including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at end of year.

7. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits distributed in column (f) to primary account classifications.

8. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirement of these pages.

9. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchase, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give also date

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No.
				1
			18,924	2
				3
				4
			18,924	5
				6
				7
			469,124	8
185,946			55,711,811	9
431,862			375,128,385	10
				11
649,805			62,958,313	12
			17,161,413	13
501,541			10,548,035	14
				15
1,769,154			521,977,081	16
				17
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				45
1,769,154			521,977,081	46

Name of Respondent Ohio Valley Electric Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/18/2007	Year/Period of Report End of 2006/Q4
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**ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)**

Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)
47	3. TRANSMISSION PLANT		
48	(350) Land and Land Rights	1,979,740	
49	(352) Structures and Improvements	737,279	
50	(353) Station Equipment	19,193,392	694,578
51	(354) Towers and Fixtures	12,642,213	
52	(355) Poles and Fixtures		
53	(356) Overhead Conductors and Devices	12,689,634	
54	(357) Underground Conduit		
55	(358) Underground Conductors and Devices		
56	(359) Roads and Trails		
57	(359.1) Asset Retirement Costs for Transmission Plant		
58	TOTAL Transmission Plant (Enter Total of lines 48 thru 57)	47,242,258	694,578
59	4. DISTRIBUTION PLANT		
60	(360) Land and Land Rights		
61	(361) Structures and Improvements		
62	(362) Station Equipment		
63	(363) Storage Battery Equipment		
64	(364) Poles, Towers, and Fixtures		
65	(365) Overhead Conductors and Devices		
66	(366) Underground Conduit		
67	(367) Underground Conductors and Devices		
68	(368) Line Transformers		
69	(369) Services		
70	(370) Meters		
71	(371) Installations on Customer Premises		
72	(372) Leased Property on Customer Premises		
73	(373) Street Lighting and Signal Systems		
74	(374) Asset Retirement Costs for Distribution Plant		
75	TOTAL Distribution Plant (Enter Total of lines 60 thru 74)		
76	5. REGIONAL TRANSMISSION AND MARKET OPERATION PLANT		
77	(380) Land and Land Rights		
78	(381) Structures and Improvements		
79	(382) Computer Hardware		
80	(383) Computer Software		
81	(384) Communication Equipment		
82	(385) Miscellaneous Regional Transmission and Market Operation Plant		
83	(386) Asset Retirement Costs for Regional Transmission and Market Oper		
84	TOTAL Transmission and Market Operation Plant (Total lines 77 thru 83)		
85	6. GENERAL PLANT		
86	(389) Land and Land Rights	124,762	
87	(390) Structures and Improvements	1,436,762	5,992
88	(391) Office Furniture and Equipment	2,042,885	170,210
89	(392) Transportation Equipment	867,775	78,847
90	(393) Stores Equipment	590	
91	(394) Tools, Shop and Garage Equipment	412,603	5,467
92	(395) Laboratory Equipment	539,821	
93	(396) Power Operated Equipment		
94	(397) Communication Equipment	2,219,793	65,425
95	(398) Miscellaneous Equipment		
96	SUBTOTAL (Enter Total of lines 86 thru 95)	7,644,991	325,941
97	(399) Other Tangible Property		
98	(399.1) Asset Retirement Costs for General Plant		
99	TOTAL General Plant (Enter Total of lines 96, 97 and 98)	7,644,991	325,941
100	TOTAL (Accounts 101 and 106)	520,964,585	58,708,342
101	(102) Electric Plant Purchased (See Instr. 8)		
102	(Less) (102) Electric Plant Sold (See Instr. 8)		
103	(103) Experimental Plant Unclassified		
104	TOTAL Electric Plant in Service (Enter Total of lines 100 thru 103)	520,964,585	58,708,342



ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No.
				47
			1,979,740	48
4,400			732,879	49
618,872			19,269,098	50
			12,642,213	51
				52
			12,689,634	53
				54
				55
				56
				57
623,272			47,313,564	58
				59
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				83
				84
				85
			124,762	86
21,483			1,421,271	87
131,422			2,081,673	88
66,710			879,912	89
			590	90
			418,070	91
			539,821	92
				93
12,585			2,272,633	94
				95
232,200			7,738,732	96
				97
				98
232,200			7,738,732	99
2,624,626			577,048,301	100
				101
				102
				103
2,624,626			577,048,301	104

Name of Respondent Ohio Valley Electric Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/18/2007	Year/Period of Report End of <u>2006/Q4</u>
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**CONSTRUCTION WORK IN PROGRESS -- ELECTRIC (Account 107)**

1. Report below descriptions and balances at end of year of projects in process of construction (107)
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstrating (see Account 107 of the Uniform System of Accounts)
3. Minor projects (5% of the Balance End of the Year for Account 107 or \$100,000, whichever is less) may be grouped.

Line No.	Description of Project (a)	Construction work in progress - Electric (Account 107) (b)
1	Computer Center	316,933
2	2 Gas Circuit Breakers	405,479
3	Microwave System	613,286
4	Ammonia Slip Monitors	644,282
5	L-O Blades Turbine Rotor	1,181,196
6	Powder River Basin Conversion	1,422,938
7	Flue Gas Desulfurization Landfill	3,722,850
8	Flue Gas Desulfurization Project	49,611,422
9	Other Projects less than \$100,000	469,849
10		
11		
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13		
14		
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43	TOTAL	58,388,235

Name of Respondent Ohio Valley Electric Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/18/2007	Year/Period of Report End of 2006/Q4
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**ACCUMULATED PROVISION FOR DEPRECIATION OF ELECTRIC UTILITY PLANT (Account 108)**

1. Explain in a footnote any important adjustments during year.
2. Explain in a footnote any difference between the amount for book cost of plant retired, Line 11, column (c), and that reported for electric plant in service, pages 204-207, column 9d), excluding retirements of non-depreciable property.
3. The provisions of Account 108 in the Uniform System of accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.
4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.

**Section A. Balances and Changes During Year**

Line No.	Item (a)	Total (c+d+e) (b)	Electric Plant in Service (c)	Electric Plant Held for Future Use (d)	Electric Plant Leased to Others (e)
1	Balance Beginning of Year	345,281,715	345,281,715		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	15,145,659	15,145,659		
4	(403.1) Depreciation Expense for Asset Retirement Costs				
5	(413) Exp. of Elec. Plt. Leas. to Others				
6	Transportation Expenses-Clearing				
7	Other Clearing Accounts				
8	Other Accounts (Specify, details in footnote):				
9					
10	TOTAL Deprec. Prov for Year (Enter Total of lines 3 thru 9)	15,145,659	15,145,659		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	2,624,626	2,624,626		
13	Cost of Removal	43,676	43,676		
14	Salvage (Credit)	45,534	45,534		
15	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 12 thru 14)	2,622,768	2,622,768		
16	Other Debit or Cr. Items (Describe, details in footnote):				
17	Change in RWIP, Deferred Depreciation	4,934,547	4,934,547		
18	Book Cost or Asset Retirement Costs Retired				
19	Balance End of Year (Enter Totals of lines 1, 10, 15, 16, and 18)	362,739,153	362,739,153		

**Section B. Balances at End of Year According to Functional Classification**

20	Steam Production	326,968,102	326,968,102		
21	Nuclear Production				
22	Hydraulic Production-Conventional				
23	Hydraulic Production-Pumped Storage				
24	Other Production				
25	Transmission	30,849,756	30,849,756		
26	Distribution				
27	Regional Transmission and Market Operation				
28	General	4,921,295	4,921,295		
29	TOTAL (Enter Total of lines 20 thru 28)	362,739,153	362,739,153		

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**INVESTMENTS IN SUBSIDIARY COMPANIES (Account 123.1)**

- Report below investments in Accounts 123.1, investments in Subsidiary Companies.
- Provide a subheading for each company and List there under the information called for below. Sub - TOTAL by company and give a TOTAL in columns (e),(f),(g) and (h)
  - Investment in Securities - List and describe each security owned. For bonds give also principal amount, date of issue, maturity and interest rate.
  - Investment Advances - Report separately the amounts of loans or investment advances which are subject to repayment, but which are not subject to current settlement. With respect to each advance show whether the advance is a note or open account. List each note giving date of issuance, maturity date, and specifying whether note is a renewal.
- Report separately the equity in undistributed subsidiary earnings since acquisition. The TOTAL in column (e) should equal the amount entered for Account 418.1.

Line No.	Description of Investment (a)	Date Acquired (b)	Date Of Maturity (c)	Amount of Investment at Beginning of Year (d)
1	Indiana-Kentucky Electric Corporation			
2	Common Stock without par value, 17,000 shares			
3	5 shares	10/09/52		1,000
4	995 shares	11/19/52		199,000
5	2500 shares	01/16/53		500,000
6	2000 shares	03/06/53		400,000
7	2000 shares	04/14/53		400,000
8	2500 shares	05/20/53		500,000
9	2000 shares	06/30/53		400,000
10	5000 shares	07/17/53		1,000,000
11	SUBTOTAL			3,400,000
12				
13	Advances to Subsidiary Company-			
14	Selective Catalytic Converter Open account	12/31/02	03/12/26	163,620,451
15	SUBTOTAL			163,620,451
16				
17				
18				
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21				
22				
23				
24				
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26				
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41				
42	Total Cost of Account 123.1 \$	159,583,158	TOTAL	167,020,451

Name of Respondent Ohio Valley Electric Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/18/2007	Year/Period of Report End of <u>2006/Q4</u>
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INVESTMENTS IN SUBSIDIARY COMPANIES (Account 123.1) (Continued)

4. For any securities, notes, or accounts that were pledged designate such securities, notes, or accounts in a footnote, and state the name of pledgee and purpose of the pledge.
5. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and give name of Commission, date of authorization, and case or docket number.
6. Report column (f) interest and dividend revenues from investments, including such revenues from securities disposed of during the year.
7. In column (h) report for each investment disposed of during the year, the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if difference from cost) and the selling price thereof, not including interest adjustment includible in column (f).
8. Report on Line 42, column (a) the TOTAL cost of Account 123.1

Equity in Subsidiary Earnings of Year (e)	Revenues for Year (f)	Amount of Investment at End of Year (g)	Gain or Loss from Investment Disposed of (h)	Line No.
				1
				2
		1,000		3
		199,000		4
		500,000		5
		400,000		6
		400,000		7
		500,000		8
		400,000		9
		1,000,000		10
		3,400,000		11
				12
				13
		156,183,158		14
		156,183,158		15
				16
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		159,583,158		42

Name of Respondent Ohio Valley Electric Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/18/2007	Year/Period of Report End of <u>2006/Q4</u>
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**MATERIALS AND SUPPLIES**

- For Account 154, report the amount of plant materials and operating supplies under the primary functional classifications as indicated in column (a); estimates of amounts by function are acceptable. In column (d), designate the department or departments which use the class of material.
- Give an explanation of important inventory adjustments during the year (in a footnote) showing general classes of material and supplies and the various accounts (operating expenses, clearing accounts, plant, etc.) affected debited or credited. Show separately debit or credits to stores expense clearing, if applicable.

Line No.	Account (a)	Balance Beginning of Year (b)	Balance End of Year (c)	Department or Departments which Use Material (d)
1	Fuel Stock (Account 151)	18,655,380	17,558,658	Electric
2	Fuel Stock Expenses Undistributed (Account 152)			
3	Residuals and Extracted Products (Account 153)			
4	Plant Materials and Operating Supplies (Account 154)			
5	Assigned to - Construction (Estimated)			
6	Assigned to - Operations and Maintenance			
7	Production Plant (Estimated)	6,994,805	7,482,748	Electric
8	Transmission Plant (Estimated)	244,929	215,016	Electric
9	Distribution Plant (Estimated)			
10	Regional Transmission and Market Operation Plant (Estimated)			
11	Assigned to - Other (provide details in footnote)			
12	TOTAL Account 154 (Enter Total of lines 5 thru 11)	7,239,734	7,697,764	
13	Merchandise (Account 155)			
14	Other Materials and Supplies (Account 156)			
15	Nuclear Materials Held for Sale (Account 157) (Not applic to Gas Util)			
16	Stores Expense Undistributed (Account 163)			
17				
18				
19				
20	TOTAL Materials and Supplies (Per Balance Sheet)	25,895,114	25,256,422	

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Allowances (Accounts 158.1 and 158.2)

1. Report below the particulars (details) called for concerning allowances.
2. Report all acquisitions of allowances at cost.
3. Report allowances in accordance with a weighted average cost allocation method and other accounting as prescribed by General Instruction No. 21 in the Uniform System of Accounts.
4. Report the allowances transactions by the period they are first eligible for use: the current year's allowances in columns (b)-(c), allowances for the three succeeding years in columns (d)-(i), starting with the following year, and allowances for the remaining succeeding years in columns (j)-(k).
5. Report on line 4 the Environmental Protection Agency (EPA) issued allowances. Report withheld portions Lines 36-40.

Line No.	Allowances Inventory (Account 158.1) (a)	Current Year		2007	
		No. (b)	Amt. (c)	No. (d)	Amt. (e)
1	Balance-Beginning of Year	73,321.00	27,516,449		
2					
3	Acquired During Year:				
4	Issued (Less Withheld Allow)	41,445.00		41,445.00	
5	Returned by EPA				
6					
7					
8	Purchases/Transfers:				
9	Purchase Transactions	67,177.00	44,203,405		
10					
11					
12					
13					
14					
15	Total	67,177.00	44,203,405		
16					
17	Relinquished During Year:				
18	Charges to Account 509	67,807.00	19,121,627		
19	Other:				
20					
21	Cost of Sales/Transfers:				
22	SO2 transfers to IKEC	16,883.00	18,535,241		
23	NOx sold	1,537.00		400.00	
24					
25					
26					
27					
28	Total	18,420.00	18,535,241	400.00	
29	Balance-End of Year	95,716.00	34,062,986	41,045.00	
30					
31	Sales:				
32	Net Sales Proceeds(Assoc. Co.)				
33	Net Sales Proceeds (Other)				
34	Gains				
35	Losses				
	Allowances Withheld (Acct 158.2)				
36	Balance-Beginning of Year	113.00			
37	Add: Withheld by EPA	566.00		566.00	
38	Deduct: Returned by EPA				
39	Cost of Sales	566.00			
40	Balance-End of Year	113.00		566.00	
41					
42	Sales:				
43	Net Sales Proceeds (Assoc. Co.)				
44	Net Sales Proceeds (Other)	2,103.00	2,985,526	400.00	417,500
45	Gains				
46	Losses				

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Allowances (Accounts 158.1 and 158.2) (Continued)

6. Report on Lines 5 allowances returned by the EPA. Report on Line 39 the EPA's sales of the withheld allowances. Report on Lines 43-46 the net sales proceeds and gains/losses resulting from the EPA's sale or auction of the withheld allowances.
7. Report on Lines 8-14 the names of vendors/transfersors of allowances acquire and identify associated companies (See "associated company" under "Definitions" in the Uniform System of Accounts).
8. Report on Lines 22 - 27 the name of purchasers/ transferees of allowances disposed of an identify associated companies.
9. Report the net costs and benefits of hedging transactions on a separate line under purchases/transfers and sales/transfers.
10. Report on Lines 32-35 and 43-46 the net sales proceeds and gains or losses from allowance sales.

2008		2009		Future Years		Totals		Line No.
No. (f)	Amt. (g)	No. (h)	Amt. (i)	No. (j)	Amt. (k)	No. (l)	Amt. (m)	
41,290.00		41,290.00		746,702.00		902,603.00	27,516,449	1
								2
								3
						82,890.00		4
								5
								6
								7
								8
						67,177.00	44,203,405	9
								10
								11
								12
								13
								14
						67,177.00	44,203,405	15
								16
								17
						67,807.00	19,121,627	18
								19
								20
								21
						16,883.00	18,535,241	22
						1,937.00		23
								24
								25
								26
								27
						18,820.00	18,535,241	28
41,290.00		41,290.00		746,702.00		966,043.00	34,062,986	29
								30
								31
								32
								33
								34
								35
								36
						113.00		36
566.00		566.00		20,905.00		23,169.00		37
								38
				563.00		1,129.00		39
566.00		566.00		20,342.00		22,153.00		40
								41
								42
								43
				565.00	156,154	3,068.00	3,559,180	44
								45
								46



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**OTHER REGULATORY ASSETS (Account 182.3)**

1. Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable.
2. Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than \$50,000 which ever is less), may be grouped by classes.
3. For Regulatory Assets being amortized, show period of amortization.

Line No.	Description and Purpose of Other Regulatory Assets  (a)	Balance at Beginning of Current Quarter/Year (b)	Debits (c)	CREDITS		Balance at end of Current Quarter/Year (f)
				Written off During the Quarter/Year Account Charged (d)	Written off During the Period Amount (e)	
1	Unrecognized Pension Expense					
2	per SFAS 87	1,881,715		253-30	1,881,715	
3						
4	Unrecognized Postemployment Benefit Exp.					
5	per SFAS 112	1,868,626	652			1,869,278
6						
7	Deferred Postretirement Benefit					
8	per SFAS 106	36,306,936	1,418,172	234, 254	37,725,108	
9						
10	Deferred Postretirement Employer	4,469,678	1,236,149	234, 254	5,705,827	
11						
12	Federal income tax resulting from the					
13	difference between book and tax					
14	depreciation created by antitrust					
15	settlement refunds for the years 1965					
16	through 1969	556,459				556,459
17						
18	Deferred Depreciation	17,360,585	4,904,250			22,264,835
19						
20	Asset Retirement Costs	3,713,856	522,831	557-100	919,849	3,316,838
21						
22						
23						
24						
25						
26						
27						
28						
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43						
44	<b>TOTAL</b>	66,157,855	8,082,054		46,232,499	28,007,410

Name of Respondent Ohio Valley Electric Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/18/2007	Year/Period of Report End of <u>2006/Q4</u>
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MISCELLANEOUS DEFFERED DEBITS (Account 186)

1. Report below the particulars (details) called for concerning miscellaneous deferred debits.
2. For any deferred debit being amortized, show period of amortization in column (a)
3. Minor item (1% of the Balance at End of Year for Account 186 or amounts less than \$50,000, whichever is less) may be grouped by classes.

Line No.	Description of Miscellaneous Deferred Debits (a)	Balance at Beginning of Year (b)	Debits (c)	CREDITS		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1	Deferred Revenue	15,966	254,081	232	15,966	254,081
2						
3	Repair Damage to Kyger					
4	X533 Circuits	2,663				2,663
5						
6	Maintenance on a transformer					
7	for another utility	1,116		401-20	1,116	
8						
9						
10						
11						
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42						
43						
44						
45						
46						
47	Misc. Work in Progress					
48	Deferred Regulatory Comm. Expenses (See pages 350 - 351)					
49	TOTAL	19,745				256,744

Name of Respondent Ohio Valley Electric Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/18/2007	Year/Period of Report End of <u>2006/Q4</u>
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**ACCUMULATED DEFERRED INCOME TAXES (Account 190)**

1. Report the information called for below concerning the respondent's accounting for deferred income taxes.
2. At Other (Specify), include deferrals relating to other income and deductions.

Line No.	Description and Location (a)	Balance of Beginning of Year (b)	Balance at End of Year (c)
1	Electric		
2			
3	Tax Savings on Deferred Debt Expense		
4	Tax on deferred billings	32,791,497	32,791,497
5	Future FIT benefits, per SFAS 109	751,367	6,308,441
6			
7	Other		
8	TOTAL Electric (Enter Total of lines 2 thru 7)	33,542,864	39,099,938
9	Gas		
10			
11			
12			
13			
14			
15	Other		
16	TOTAL Gas (Enter Total of lines 10 thru 15)		
17	Other (Specify)		
18	TOTAL (Acct 190) (Total of lines 8, 16 and 17)	33,542,864	39,099,938

Notes

Name of Respondent Ohio Valley Electric Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/18/2007	Year/Period of Report End of <u>2006/Q4</u>
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**CAPITAL STOCKS (Account 201 and 204)**

- Report below the particulars (details) called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separate totals for common and preferred stock. If information to meet the stock exchange reporting requirement outlined in column (a) is available from the SEC 10-K Report Form filing, a specific reference to report form (i.e., year and company title) may be reported in column (a) provided the fiscal years for both the 10-K report and this report are compatible.
- Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.

Line No.	Class and Series of Stock and Name of Stock Series  (a)	Number of shares Authorized by Charter  (b)	Par or Stated Value per share  (c)	Call Price at End of Year  (d)
1	Common	300,000	100.00	
2				
3	Preferred-None authorized, issued or outstanding			
4				
5				
6				
7				
8				
9				
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Name of Respondent Ohio Valley Electric Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/18/2007	Year/Period of Report End of 2006/Q4
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CAPITAL STOCKS (Account 201 and 204) (Continued)

3. Give particulars (details) concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued.
  4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or non-cumulative.
  5. State in a footnote if any capital stock which has been nominally issued is nominally outstanding at end of year.
- Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purposes of pledge.

OUTSTANDING PER BALANCE SHEET (Total amount outstanding without reduction for amounts held by respondent)		HELD BY RESPONDENT				Line No.
		AS REACQUIRED STOCK (Account 217)		IN SINKING AND OTHER FUNDS		
Shares (e)	Amount (f)	Shares (g)	Cost (h)	Shares (i)	Amount (j)	
100,000	10,000,000					1
						2
						3
						4
						5
						6
						7
						8
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Name of Respondent Ohio Valley Electric Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/18/2007	Year/Period of Report End of 2006/Q4
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LONG-TERM DEBT (Account 221, 222, 223 and 224)

1. Report by balance sheet account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other long-Term Debt.
2. In column (a), for new issues, give Commission authorization numbers and dates.
3. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.
4. For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.
5. For receivers, certificates, show in column (a) the name of the court -and date of court order under which such certificates were issued.
6. In column (b) show the principal amount of bonds or other long-term debt originally issued.
7. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.
8. For column (c) the total expenses should be listed first for each issuance, then the amount of premium (in parentheses) or discount. Indicate the premium or discount with a notation, such as (P) or (D). The expenses, premium or discount should not be netted.
9. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.

Line No.	Class and Series of Obligation, Coupon Rate (For new issue, give commission Authorization numbers and dates) (a)	Principal Amount Of Debt issued (b)	Total expense, Premium or Discount (c)
1	221.Bonds		
2			
3	222.Required Bonds		
4			
5	223.Advances from Associated Companies		
6			
7	224.Other Long-Term Debt:		
8			
9	Unsecured Senior Notes	445,000,000	4,249,047
10			
11	SCR Secured Senior Notes	305,000,000	10,906,728
12			
13	Unsecured Term Loan	60,000,000	371,494
14			
15	Line of Credit Borrowings-Long Term	50,000,000	582,737
16			
17	SUBTOTAL	860,000,000	16,110,006
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33	TOTAL	860,000,000	16,110,006

Name of Respondent Ohio Valley Electric Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/18/2007	Year/Period of Report End of 2006/Q4
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LONG-TERM DEBT (Account 221, 222, 223 and 224) (Continued)

10. Identify separate undisposed amounts applicable to issues which were redeemed in prior years.
11. Explain any debits and credits other than debited to Account 428, Amortization and Expense, or credited to Account 429, Premium on Debt - Credit.
12. In a footnote, give explanatory (details) for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principle repaid during year. Give Commission authorization numbers and dates.
13. If the respondent has pledged any of its long-term debt securities give particulars (details) in a footnote including name of pledgee and purpose of the pledge.
14. If the respondent has any long-term debt securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.
15. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (i). Explain in a footnote any difference between the total of column (i) and the total of Account 427, interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.
16. Give particulars (details) concerning any long-term debt authorized by a regulatory commission but not yet issued.

Nominal Date of Issue (d)	Date of Maturity (e)	AMORTIZATION PERIOD		Outstanding (Total amount outstanding without reduction for amounts held by respondent) (h)	Interest for Year Amount (i)	Line No.
		Date From (f)	Date To (g)			
						1
						2
						3
						4
						5
						6
						7
						8
2/6/06	2/15/26	2/6/06	2/15/26	438,963,211	24,158,528	9
						10
12/21/01	2/12/06	NA	NA		2,063,325	11
						12
3/25/03	2/12/06	NA	NA		395,390	13
						14
8/05/05	8/04/10	NA	NA	50,000,000	2,265,749	15
						16
				488,963,211	28,882,992	17
						18
						19
						20
						21
						22
						23
						24
						25
						26
						27
						28
						29
						30
						31
						32
				488,963,211	28,882,992	33

Name of Respondent Ohio Valley Electric Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/18/2007	Year/Period of Report 2006/Q4
FOOTNOTE DATA			

- Schedule Page: 256 Line No.: 9 Column: a**  
Authorization Ohio PUCO 05-977-EL-AIS.
- Schedule Page: 256 Line No.: 11 Column: a**  
Authorization Ohio PUCO 01-482-EL-AIS.
- Schedule Page: 256 Line No.: 13 Column: a**  
Authorization Ohio PUCO 05-977-EL-AIS.
- Schedule Page: 256 Line No.: 15 Column: a**  
Authorization Ohio PUCO 05-977-EL-AIS.



Name of Respondent Ohio Valley Electric Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/18/2007	Year/Period of Report End of 2006/Q4
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**RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES**

1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.
2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group member, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.
3. A substitute page, designed to meet a particular need of a company, may be used as long as the data is consistent and meets the requirements of the above instructions. For electronic reporting purposes complete Line 27 and provide the substitute Page in the context of a footnote.

Line No.	Particulars (Details) (a)	Amount (b)
1	Net Income for the Year (Page 117)	4,025,758
2		
3		
4	Taxable Income Not Reported on Books	
5		
6		
7		
8		
9	Deductions Recorded on Books Not Deducted for Return	
10		66,807,426
11		
12		
13		
14	Income Recorded on Books Not Included in Return	
15		
16		
17		
18		
19	Deductions on Return Not Charged Against Book Income	
20		-67,521,327
21		
22		
23		
24		
25		
26		
27	Federal Tax Net Income	3,311,857
28	Show Computation of Tax:	
29		
30	Federal Taxable Net Income	3,311,857
31	Tax rate	35
32	Federal Income Tax	1,159,150
33		
34		
35	2006 Federal Income Tax expense per books (409, 410, 411)	1,159,150
36		
37		
38		
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41		
42		
43		
44		

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Ohio Valley Electric Corporation	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	05/18/2007	2006/Q4
FOOTNOTE DATA			

**Schedule Page: 261 Line No.: 10 Column: b**

Federal income tax	1,159,150
Advances for construction	855,062
Employment taxes	433,506
Accrued vacation	2,856,477
Nondeductible property tax deduction	1,152,630
Business meals	22,720
Capitalized interest	3,116,976
Penalties-correction for prior year	8,523
Lobby expense	10,772
Book depreciation	30,114,212
Capitalized expenses	2,927,711
Prior year prepaid deductions	1,619,571
Postretirement billing	3,760,052
Charitable contributions	70,505
Postretirement benefit expense (interest)	2,616,262
Retirement work	1,329,362
NOL adjustments	14,753,935
	<u>66,807,426</u>

**Schedule Page: 261 Line No.: 20 Column: b**

Employment taxes	(409,118)
Reversal of accrued vacation	(2,774,469)
Reversal of nondeductible property tax deduction	(1,134,498)
Tax depreciation	(58,004,936)
Accrued deductible prepaids	(1,617,478)
Postretirement benefit expense	(2,700,000)
State income tax accrual	(173,522)
Loss on sale of assets	(707,306)
	<u>(67,521,327)</u>

Name of Respondent Ohio Valley Electric Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/18/2007	Year/Period of Report End of 2006/Q4
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**TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR**

1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual, or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes.) Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

Line No.	Kind of Tax (See instruction 5) (a)	BALANCE AT BEGINNING OF YEAR		Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)
		Taxes Accrued (Account 236) (b)	Prepaid Taxes (Include in Account 165) (c)			
1	Federal:					
2	FICA	205,183		1,909,397	1,901,345	
3	Unemployment	12,778		23,666	21,814	
4	Income Tax	-23,948,503		-3	-23,947,825	
5	Excise Tax			5,956	5,956	
6	Heavy Highway Vehicle Use			1,650	1,650	
7	SUBTOTAL	-23,730,542		1,940,666	-22,017,060	
8						
9	OHIO:					
10	Unemployment	6,340		15,288	14,313	
11	SUBTOTAL	6,340		15,288	14,313	
12	Franchise Tax					
13	2003	-170				
14	2004	-108,681				
15	2006	1,000			1,000	
16	2007			1,000		
17	SUBTOTAL	-107,851		1,000	1,000	
18	Commercial Activity Tax					
19	--2005	60,562		2,595	63,157	
20	--2006			298,018	210,848	
21	SUBTOTAL	60,562		300,613	274,005	
22	Property Tax					
23	--2005	1,847,013		22,916	1,869,929	
24	--2006	1,846,800		131,050	13,437	
25	--2007			1,972,800		
26	SUBTOTAL	3,693,813		2,126,766	1,883,366	
27	Sales and Use Tax			30,760	30,760	
28	SUBTOTAL			30,760	30,760	
29	KENTUCKY:					
30	Sales & Use Tax			572	572	
31	SUBTOTAL			572	572	
32	Property Tax					
33	--2005	25		70	14	
34	--2006			27,433		
35	SUBTOTAL	25		27,503	14	
36						
37	Vehicle Tax			110	110	
38						
39	Income Tax			350	175	
40						
41	TOTAL	-20,077,653		4,443,628	-19,812,745	

Name of Respondent Ohio Valley Electric Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/18/2007	Year/Period of Report End of 2006/Q4
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**TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)**

5. If any tax (exclude Federal and State income taxes)- covers more than one year, show the required information separately for each tax year, identifying the year in column (a).
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a foot- note. Designate debit adjustments by parentheses.
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
8. Report in columns (i) through (l) how the taxes were distributed. Report in column (i) only the amounts charged to Accounts 408.1 and 409.1 pertaining to electric operations. Report in column (l) the amounts charged to Accounts 408.1 and 109.1 pertaining to other utility departments and amounts charged to Accounts 408.2 and 409.2. Also shown in column (l) the taxes charged to utility plant or other balance sheet accounts.
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

BALANCE AT END OF YEAR		DISTRIBUTION OF TAXES CHARGED				Line No.
(Taxes accrued Account 236) (g)	Prepaid Taxes (Incl. in Account 165) (h)	Electric (Account 408.1, 409.1) (i)	Extraordinary Items (Account 409.3) (j)	Adjustments to Ret. Earnings (Account 439) (k)	Other (l)	
						1
213,235		1,723,524			185,873	2
14,630		22,134			1,532	3
-681		-3				4
					5,956	5
					1,650	6
227,184		1,745,655			195,011	7
						8
						9
7,315		13,696			1,592	10
7,315		13,696			1,592	11
						12
-170						13
-108,681						14
						15
1,000		1,000				16
-107,851		1,000				17
						18
		2,595				19
87,170		298,018				20
87,170		300,613				21
						22
		22,916				23
1,964,413		1,977,850			-1,846,800	24
1,972,800					1,972,800	25
3,937,213		2,000,766			126,000	26
		30,760				27
		30,760				28
						29
		64			508	30
		64			508	31
						32
81		70				33
27,433		27,433				34
27,514		27,503				35
						36
		110				37
						38
175		350				39
						40
4,178,720		4,120,517			323,111	41

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Ohio Valley Electric Corporation	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 05/18/2007	2006/Q4
FOOTNOTE DATA			

**Schedule Page: 262 Line No.: 2 Column: 1**

Apportioned to Accounts 107, 108, 142, 143 through overhead rates applied to labor charged to work orders and Account 401 on basis of payroll distribution.

**Schedule Page: 262 Line No.: 3 Column: 1**

Apportioned to Accounts 107, 108, 142, 143 through overhead rates applied to labor charged to work orders and Account 401 on basis of payroll distribution.

**Schedule Page: 262 Line No.: 5 Column: 1**

Charged to Account 401.

**Schedule Page: 262 Line No.: 6 Column: 1**

Charged to Account 401.

**Schedule Page: 262 Line No.: 10 Column: 1**

Apportioned to Accounts 107, 108, 142, 143 through overhead rates applied to labor charged to work orders and Account 401 on basis of payroll distribution.

**Schedule Page: 262 Line No.: 24 Column: 1**

Charged to Account 174.

**Schedule Page: 262 Line No.: 25 Column: 1**

Charged to Account 174.

**Schedule Page: 262 Line No.: 30 Column: 1**

Charged to Account 401.

Name of Respondent Ohio Valley Electric Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/18/2007	Year/Period of Report End of 2006/Q4
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**ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255)**

Report below information applicable to Account 255. Where appropriate, segregate the balances and transactions by utility and nonutility operations. Explain by footnote any correction adjustments to the account balance shown in column (g). Include in column (i) the average period over which the tax credits are amortized.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Deferred for Year		Allocations to Current Year's Income		Adjustments (g)
			Account No. (c)	Amount (d)	Account No. (e)	Amount (f)	
1	Electric Utility						
2	3%						
3	4%						
4	7%						
5	10%	3,393,146					
6							
7							
8	TOTAL	3,393,146					
9	Other (List separately and show 3%, 4%, 7%, 10% and TOTAL)						
10							
11							
12							
13							
14							
15							
16							
17							
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48							

ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255) (continued)

Balance at End of Year (h)	Average Period of Allocation to Income (i)	ADJUSTMENT EXPLANATION	Line No.
			1
			2
			3
			4
3,393,146			5
			6
			7
3,393,146			8
			9
			10
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			12
			13
			14
			15
			16
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Name of Respondent Ohio Valley Electric Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/18/2007	Year/Period of Report End of <u>2006/Q4</u>
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**OTHER DEFERRED CREDITS (Account 253)**

1. Report below the particulars (details) called for concerning other deferred credits.
2. For any deferred credit being amortized, show the period of amortization.
3. Minor items (5% of the Balance End of Year for Account 253 or amounts less than \$10,000, whichever is greater) may be grouped by classes.

Line No.	Description and Other Deferred Credits (a)	Balance at Beginning of Year (b)	DEBITS		Credits (e)	Balance at End of Year (f)
			Contra Account (c)	Amount (d)		
1	Postemployment Benefit					
2	Obligations, per SFAS 112	1,868,626			652	1,869,278
3						
4	Pension Plan Obligation in					
5	Excess of assets, per SFAS 87	1,881,716	253-30	1,881,716		
6						
7	Postretirement Benefit					
8	Obligations, per SFAS 106	18,891,579			1,418,172	20,309,751
9						
10	Deferred Credit-Other	-76			76	
11						
12	Asset Retirement Obligations	8,713,856			522,831	9,236,687
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
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31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						
47	<b>TOTAL</b>	31,355,701		1,881,716	1,941,731	31,415,716



Name of Respondent Ohio Valley Electric Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/18/2007	Year/Period of Report End of <u>2006/Q4</u>
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**OTHER REGULATORY LIABILITIES (Account 254)**

1. Report below the particulars (details) called for concerning other regulatory liabilities, including rate order docket number, if applicable.
2. Minor items (5% of the Balance in Account 254 at end of period, or amounts less than \$50,000 which ever is less), may be grouped by classes.
3. For Regulatory Liabilities being amortized, show period of amortization.

Line No.	Description and Purpose of Other Regulatory Liabilities  (a)	Balance at Beginning of Current Quarter/Year  (b)	DEBITS		Credits  (e)	Balance at End of Current Quarter/Year  (f)
			Account Credited  (c)	Amount  (d)		
1	Def. Cr. Other- Postretirement Interest	2,814,384	254	2,814,384		
2						
3	Def. Cr.- DOE Settlement Postretirement	47,700,000	136, 182-30	13,901,472		33,798,528
4						
5	Def. Cr.- Estimated FAS 106 Expense	7,313,451	234, 183-30	9,049,461	1,736,010	
6						
7	Antitrust Settlements Pending					
8	Final Disposition	1,229,529				1,229,529
9						
10	Federal Income Tax Benefits					
11	per SFAS 109	29,799,669	236-20,411-15	2,566,554	9,282,780	36,515,895
12						
13	Def. Cr.- SO2 Allowances	795,044	158-10	1,452,411	657,367	
14						
15	Def. Cr.-NOx Allowances	1,275,000	509	4,002,355	2,727,355	
16						
17	Advance collection of interest				1,060,828	1,060,828
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41	<b>TOTAL</b>	90,927,077		33,786,637	15,464,340	72,604,780

Name of Respondent Ohio Valley Electric Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/18/2007	Year/Period of Report End of <u>2006/Q4</u>
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**ELECTRIC OPERATING REVENUES (Account 400)**

- The following instructions generally apply to the annual version of these pages. Do not report quarterly data in columns (c), (e), (f), and (g). Unbilled revenues and MWH related to unbilled revenues need not be reported separately as required in the annual version of these pages.
- Report below operating revenues for each prescribed account, and manufactured gas revenues in total.
- Report number of customers, columns (f) and (g), on the basis of meters, in addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The -average number of customers means the average of twelve figures at the close of each month.
- If increases or decreases from previous period (columns (c),(e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.

Line No.	Title of Account (a)	Operating Revenues Year to Date Quarterly/Annual (b)	Operating Revenues Previous year (no Quarterly) (c)
1	Sales of Electricity		
2	(440) Residential Sales		
3	(442) Commercial and Industrial Sales		
4	Small (or Comm.) (See Instr. 4)		
5	Large (or Ind.) (See Instr. 4)	15,444,722	14,409,191
6	(444) Public Street and Highway Lighting		
7	(445) Other Sales to Public Authorities		
8	(446) Sales to Railroads and Railways		
9	(448) Interdepartmental Sales		
10	TOTAL Sales to Ultimate Consumers	15,444,722	14,409,191
11	(447) Sales for Resale	508,168,601	453,559,001
12	TOTAL Sales of Electricity	523,613,323	467,968,192
13	(Less) (449.1) Provision for Rate Refunds		
14	TOTAL Revenues Net of Prov. for Refunds	523,613,323	467,968,192
15	Other Operating Revenues		
16	(450) Forfeited Discounts		
17	(451) Miscellaneous Service Revenues		
18	(453) Sales of Water and Water Power		
19	(454) Rent from Electric Property	300,060	400,080
20	(455) Interdepartmental Rents		
21	(456) Other Electric Revenues		111,226
22	(456.1) Revenues from Transmission of Electricity of Others		
23	(457.1) Regional Control Service Revenues		
24	(457.2) Miscellaneous Revenues		
25			
26	TOTAL Other Operating Revenues	300,060	511,306
27	TOTAL Electric Operating Revenues	523,913,383	468,479,498

Name of Respondent Ohio Valley Electric Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/18/2007	Year/Period of Report End of 2006/Q4
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**ELECTRIC OPERATING REVENUES (Account 400)**

5. Commercial and industrial Sales, Account 442, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 1000 Kw of demand. (See Account 442 of the Uniform System of Accounts. Explain basis of classification in a footnote.)
6. See pages 108-109, Important Changes During Period, for important new territory added and important rate increase or decreases.
7. For Lines 2,4,5,and 6, see Page 304 for amounts relating to unbilled revenue by accounts.
8. Include unmetered sales. Provide details of such Sales in a footnote.

MEGAWATT HOURS SOLD		AVG.NO. CUSTOMERS PER MONTH		Line No.
Year to Date Quarterly/Annual (d)	Amount Previous year (no Quarterly) (e)	Current Year (no Quarterly) (f)	Previous Year (no Quarterly) (g)	
				1
				2
				3
				4
246,371	251,375	1	1	5
				6
				7
				8
				9
246,371	251,375	1	1	10
16,226,777	16,254,716	12	12	11
16,473,148	16,506,091	13	13	12
				13
16,473,148	16,506,091	13	13	14

Line 12, column (b) includes \$ 0 of unbilled revenues.  
Line 12, column (d) includes 0 MWH relating to unbilled revenues

Name of Respondent Ohio Valley Electric Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/18/2007	Year/Period of Report End of <u>2006/Q4</u>
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**SALES OF ELECTRICITY BY RATE SCHEDULES**

1. Report below for each rate schedule in effect during the year the MWh of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding date for Sales for Resale which is reported on Pages 310-311.
2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300-301. If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading.
3. Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.
4. The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).
5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No.	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	Ohio Valley Electric Corporation					
2	Power Agreement (DOE)					
3	Rate Schedule FPC No. 1-A					
4	Commercial and Industrial Sales					
5	(Account 442)	246,371	15,444,722	1	246,371,000	0.0627
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
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26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41	TOTAL Billed	249,622	15,444,722	1	249,622,000	0.0619
42	Total Unbilled Rev.(See Instr. 6)	0	0	0	0	0.0000
43	TOTAL	249,622	15,444,722	1	249,622,000	0.0619

Name of Respondent Ohio Valley Electric Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/18/2007	Year/Period of Report End of <u>2006/Q4</u>
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**SALES FOR RESALE (Account 447)**

- Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326-327).
- Enter the name of the purchaser in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.
- In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:  
RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers.  
LF - for long-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or setter can unilaterally get out of the contract.  
IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but Less than five years.  
SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less.  
LU - for Long-term service from a designated generating unit. "Long-term" means five years or Longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit.  
IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means Longer than one year but Less than five years.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	NOTE 1					
2	Allegheny Energy Supply Company, LLC	OS	FPC1-B	NA	NA	NA
3	American Electric Power Eastern Op. Co.	OS	FPC1-B	NA	NA	NA
4	Appalachian Power Company	OS	FPC1-B	NA	NA	NA
5	The Cincinnati Gas & Electric Company	OS	FPC1-B	NA	NA	NA
6	Columbus Southern Power Company	OS	FPC1-B	NA	NA	NA
7	The Dayton Power and Light Company	OS	FPC1-B	NA	NA	NA
8	FirstEnergy Generation Corporation	OS	FPC1-B	NA	NA	NA
9	Indiana Michigan Power Company	OS	FPC1-B	NA	NA	NA
10	Kentucky Utilities Company	OS	FPC1-B	NA	NA	NA
11	Louisville Gas and Electric Company	OS	FPC1-B	NA	NA	NA
12	Monongahela Power Company	OS	FPC1-B	NA	NA	NA
13	Ohio Power Company	OS	FPC1-B	NA	NA	NA
14	Southern Indiana Gas & Electric Company	OS	FPC1-B	NA	NA	NA
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	<b>Total</b>			<b>0</b>	<b>0</b>	<b>0</b>

Name of Respondent Ohio Valley Electric Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/18/2007	Year/Period of Report End of <u>2006/Q4</u>
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**SALES FOR RESALE (Account 447)**

1. Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326-327).

2. Enter the name of the purchaser in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.

3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:  
 RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers.  
 LF - for long-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or setter can unilaterally get out of the contract.  
 IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but Less than five years.  
 SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less.  
 LU - for Long-term service from a designated generating unit. "Long-term" means five years or Longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit.  
 IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means Longer than one year but Less than five years.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	See footnote		NA	NA	NA	NA
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	<b>Total</b>			<b>0</b>	<b>0</b>	<b>0</b>

Name of Respondent Ohio Valley Electric Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/18/2007	Year/Period of Report End of 2006/Q4
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**SALES FOR RESALE (Account 447) (Continued)**

- OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.
- AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.
4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)
5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.
6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.
8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.
9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401, line 24.
10. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Sold (g)	REVENUE			Total (\$) (h+i+j) (k)	Line No.
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
					1
300,503	2,813,762	6,159,643		8,973,405	2
1,142,719	14,309,754	22,407,125		36,716,879	3
2,515,623	29,698,803	51,593,630		81,292,433	4
1,460,728	17,123,516	29,719,384		46,842,900	5
711,984	8,403,832	14,127,142		22,530,974	6
772,014	9,322,803	15,641,898		24,964,701	7
3,348,371	39,003,565	63,577,746		102,581,311	8
1,259,222	14,857,351	23,460,181		38,317,532	9
412,358	4,756,532	8,375,460		13,131,992	10
974,211	11,140,028	18,809,746		29,949,774	11
594,993	6,659,145	11,812,621		18,471,766	12
2,482,878	29,318,281	48,107,128		77,425,409	13
251,173	2,853,920	4,970,772		7,824,692	14
0	0	0	0	0	
16,226,777	189,406,125	318,762,476	0	508,168,601	
<b>16,226,777</b>	<b>189,406,125</b>	<b>318,762,476</b>	<b>0</b>	<b>508,168,601</b>	

Name of Respondent Ohio Valley Electric Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/18/2007	Year/Period of Report End of 2006/Q4
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**SALES FOR RESALE (Account 447) (Continued)**

- OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.
- AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.
4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)
5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.
6. For requirements RQ sales and any type-of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.
8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.
9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401, line 24.
10. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Sold (g)	REVENUE			Total (\$) (h+i+j) (k)	Line No.
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
	-855,167			-855,167	1
					2
					3
					4
					5
					6
					7
					8
					9
					10
					11
					12
					13
					14
0	0	0	0	0	
16,226,777	189,406,125	318,762,476	0	508,168,601	
<b>16,226,777</b>	<b>189,406,125</b>	<b>318,762,476</b>	<b>0</b>	<b>508,168,601</b>	



Name of Respondent Ohio Valley Electric Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/18/2007	Year/Period of Report 2006/Q4
FOOTNOTE DATA			

**Schedule Page: 310 Line No.: 1 Column: a**

NOTE 1: Power is sold pursuant to an Inter-Company Power Agreement among Ohio Valley Electric Corporation (OVEC) and Sponsoring Companies (Sponsors). The agreement provides, among other things, that any power generated by OVEC or its subsidiary company, Indiana-Kentucky Electric Corporation, shall be made available to Sponsors. The Sponsors or their parent corporations are shareholders of OVEC.

**Schedule Page: 310.1 Line No.: 1 Column: a**

This figure represents the difference between billings for current construction projects and depreciation expense on projects closed to plant in service.

Name of Respondent Ohio Valley Electric Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/18/2007	Year/Period of Report End of 2006/Q4
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**ELECTRIC OPERATION AND MAINTENANCE EXPENSES**

If the amount for previous year is not derived from previously reported figures, explain in footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
1	<b>1. POWER PRODUCTION EXPENSES</b>		
2	A. Steam Power Generation		
3	Operation		
4	(500) Operation Supervision and Engineering	1,370,918	1,068,188
5	(501) Fuel	131,846,722	133,391,687
6	(502) Steam Expenses	4,375,514	4,250,491
7	(503) Steam from Other Sources		
8	(Less) (504) Steam Transferred-Cr.		
9	(505) Electric Expenses	2,419,168	2,339,262
10	(506) Miscellaneous Steam Power Expenses	6,743,713	7,768,033
11	(507) Rents		
12	(509) Allowances	19,121,626	9,879,253
13	TOTAL Operation (Enter Total of Lines 4 thru 12)	165,877,661	158,696,914
14	Maintenance		
15	(510) Maintenance Supervision and Engineering	563,107	522,819
16	(511) Maintenance of Structures	1,513,841	1,404,287
17	(512) Maintenance of Boiler Plant	15,563,617	16,845,939
18	(513) Maintenance of Electric Plant	4,050,676	2,524,754
19	(514) Maintenance of Miscellaneous Steam Plant	568,725	551,539
20	TOTAL Maintenance (Enter Total of Lines 15 thru 19)	22,259,966	21,849,338
21	TOTAL Power Production Expenses-Steam Power (Entr Tot lines 13 & 20)	188,137,627	180,546,252
22	B. Nuclear Power Generation		
23	Operation		
24	(517) Operation Supervision and Engineering		
25	(518) Fuel		
26	(519) Coolants and Water		
27	(520) Steam Expenses		
28	(521) Steam from Other Sources		
29	(Less) (522) Steam Transferred-Cr.		
30	(523) Electric Expenses		
31	(524) Miscellaneous Nuclear Power Expenses		
32	(525) Rents		
33	TOTAL Operation (Enter Total of lines 24 thru 32)		
34	Maintenance		
35	(528) Maintenance Supervision and Engineering		
36	(529) Maintenance of Structures		
37	(530) Maintenance of Reactor Plant Equipment		
38	(531) Maintenance of Electric Plant		
39	(532) Maintenance of Miscellaneous Nuclear Plant		
40	TOTAL Maintenance (Enter Total of lines 35 thru 39)		
41	TOTAL Power Production Expenses-Nuc. Power (Entr tot lines 33 & 40)		
42	C. Hydraulic Power Generation		
43	Operation		
44	(535) Operation Supervision and Engineering		
45	(536) Water for Power		
46	(537) Hydraulic Expenses		
47	(538) Electric Expenses		
48	(539) Miscellaneous Hydraulic Power Generation Expenses		
49	(540) Rents		
50	TOTAL Operation (Enter Total of Lines 44 thru 49)		
51	C. Hydraulic Power Generation (Continued)		
52	Maintenance		
53	(541) Maintenance Supervision and Engineering		
54	(542) Maintenance of Structures		
55	(543) Maintenance of Reservoirs, Dams, and Waterways		
56	(544) Maintenance of Electric Plant		
57	(545) Maintenance of Miscellaneous Hydraulic Plant		
58	TOTAL Maintenance (Enter Total of lines 53 thru 57)		
59	TOTAL Power Production Expenses-Hydraulic Power (tot of lines 50 & 58)		



Name of Respondent Ohio Valley Electric Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/18/2007	Year/Period of Report End of 2006/Q4
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**ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)**

If the amount for previous year is not derived from previously reported figures, explain in footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
113	<b>3. REGIONAL MARKET EXPENSES</b>		
114	Operation		
115	(575.1) Operation Supervision		
116	(575.2) Day-Ahead and Real-Time Market Facilitation		
117	(575.3) Transmission Rights Market Facilitation		
118	(575.4) Capacity Market Facilitation		
119	(575.5) Ancillary Services Market Facilitation		
120	(575.6) Market Monitoring and Compliance		
121	(575.7) Market Facilitation, Monitoring and Compliance Services		
122	(575.8) Rents		
123	Total Operation (Lines 115 thru 122)		
124	Maintenance		
125	(576.1) Maintenance of Structures and Improvements		
126	(576.2) Maintenance of Computer Hardware		
127	(576.3) Maintenance of Computer Software		
128	(576.4) Maintenance of Communication Equipment		
129	(576.5) Maintenance of Miscellaneous Market Operation Plant		
130	Total Maintenance (Lines 125 thru 129)		
131	TOTAL Regional Transmission and Market Op Expns (Total 123 and 130)		
132	<b>4. DISTRIBUTION EXPENSES</b>		
133	Operation		
134	(580) Operation Supervision and Engineering		
135	(581) Load Dispatching		
136	(582) Station Expenses		
137	(583) Overhead Line Expenses		
138	(584) Underground Line Expenses		
139	(585) Street Lighting and Signal System Expenses		
140	(586) Meter Expenses		
141	(587) Customer Installations Expenses		
142	(588) Miscellaneous Expenses		
143	(589) Rents		
144	TOTAL Operation (Enter Total of lines 134 thru 143)		
145	Maintenance		
146	(590) Maintenance Supervision and Engineering		
147	(591) Maintenance of Structures		
148	(592) Maintenance of Station Equipment		
149	(593) Maintenance of Overhead Lines		
150	(594) Maintenance of Underground Lines		
151	(595) Maintenance of Line Transformers		
152	(596) Maintenance of Street Lighting and Signal Systems		
153	(597) Maintenance of Meters		
154	(598) Maintenance of Miscellaneous Distribution Plant		
155	TOTAL Maintenance (Total of lines 146 thru 154)		
156	TOTAL Distribution Expenses (Total of lines 144 and 155)		
157	<b>5. CUSTOMER ACCOUNTS EXPENSES</b>		
158	Operation		
159	(901) Supervision		
160	(902) Meter Reading Expenses		
161	(903) Customer Records and Collection Expenses		
162	(904) Uncollectible Accounts		
163	(905) Miscellaneous Customer Accounts Expenses		
164	TOTAL Customer Accounts Expenses (Total of lines 159 thru 163)		

Name of Respondent Ohio Valley Electric Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/18/2007	Year/Period of Report End of 2006/Q4
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**ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)**

If the amount for previous year is not derived from previously reported figures, explain in footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
165	<b>6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES</b>		
166	Operation		
167	(907) Supervision		
168	(908) Customer Assistance Expenses		
169	(909) Informational and Instructional Expenses		
170	(910) Miscellaneous Customer Service and Informational Expenses		
171	TOTAL Customer Service and Information Expenses (Total 167 thru 170)		
172	<b>7. SALES EXPENSES</b>		
173	Operation		
174	(911) Supervision		
175	(912) Demonstrating and Selling Expenses		
176	(913) Advertising Expenses		
177	(916) Miscellaneous Sales Expenses		
178	TOTAL Sales Expenses (Enter Total of lines 174 thru 177)		
179	<b>8. ADMINISTRATIVE AND GENERAL EXPENSES</b>		
180	Operation		
181	(920) Administrative and General Salaries	3,274,802	2,732,211
182	(921) Office Supplies and Expenses	599,170	382,180
183	(Less) (922) Administrative Expenses Transferred-Credit	70,367	53,065
184	(923) Outside Services Employed	3,088,597	3,372,034
185	(924) Property Insurance	638,964	634,680
186	(925) Injuries and Damages	591,731	625,373
187	(926) Employee Pensions and Benefits	11,880,590	9,867,948
188	(927) Franchise Requirements		
189	(928) Regulatory Commission Expenses	744,434	825,242
190	(929) (Less) Duplicate Charges-Cr.		
191	(930.1) General Advertising Expenses		
192	(930.2) Miscellaneous General Expenses	547,602	379,307
193	(931) Rents	17,600	39,600
194	TOTAL Operation (Enter Total of lines 181 thru 193)	21,313,123	18,805,510
195	Maintenance		
196	(935) Maintenance of General Plant	37,035	52,851
197	TOTAL Administrative & General Expenses (Total of lines 194 and 196)	21,350,158	18,858,361
198	TOTAL Elec Op and Maint Expns (Total 80,112,131,156,164,171,178,197)	474,480,152	433,142,774

Name of Respondent Ohio Valley Electric Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/18/2007	Year/Period of Report End of 2006/Q4
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**PURCHASED POWER (Account 555)**  
(Including power exchanges)

1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.
2. Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projects load for this service in its system resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate consumers.

LF - for long-term firm service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service firm service which meets the definition of RQ service. For all transaction identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.

IF - for intermediate-term firm service. The same as LF service expect that "intermediate-term" means longer than one year but less than five years.

SF - for short-term service. Use this category for all firm services, where the duration of each period of commitment for service is one year or less.

LU - for long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of the designated unit.

IU - for intermediate-term service from a designated generating unit. The same as LU service expect that "intermediate-term" means longer than one year but less than five years.

EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.

OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote for each adjustment.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	NOTE 1 & 3					
2	Indiana-Kentucky Electric Corporation	OS	FPC 1-B	NA	NA	NA
3	NOTE 2, 3 & 4					
4	Ohio Power Company	OS	FPC 1-B	NA	NA	NA
5	NOTE 2					
6	Cargil Power Markets, LLC	OS	FPC 1-B	NA	NA	NA
7	NOTE 2					
8						
9						
10						
11						
12						
13						
14						
	<b>Total</b>					

Name of Respondent Ohio Valley Electric Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/18/2007	Year/Period of Report End of 2006/Q4
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PURCHASED POWER(Account 555) (Continued)  
(Including power exchanges)

AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column (b), is provided.
5. For requirements RQ purchases and any type of service involving demand charges imposed on a monthly (or longer) basis, enter the monthly average billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
6. Report in column (g) the megawatthours shown on bills rendered to the respondent. Report in columns (h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.
7. Report demand charges in column (j), energy charges in column (k), and the total of any other types of charges, including out-of-period adjustments, in column (l). Explain in a footnote all components of the amount shown in column (l). Report in column (m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column (m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (l) include credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.
8. The data in column (g) through (m) must be totalled on the last line of the schedule. The total amount in column (g) must be reported as Purchases on Page 401, line 10. The total amount in column (h) must be reported as Exchange Received on Page 401, line 12. The total amount in column (i) must be reported as Exchange Delivered on Page 401, line 13.
9. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	Demand Charges (\$) (j)	Energy Charges (\$) (k)	Other Charges (\$) (l)	Total (j+k+l) of Settlement (\$) (m)	
							1
9,080,303					245,845,852	245,845,852	2
							3
22,695					869,981	869,981	4
							5
272,059					14,091,711	14,091,711	6
							7
							8
							9
							10
							11
							12
							13
							14
9,375,057					260,807,544	260,807,544	

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/18/2007	Year/Period of Report 2006/Q4
Ohio Valley Electric Corporation			
FOOTNOTE DATA			

**Schedule Page: 326 Line No.: 1 Column: a**

NOTE 1: All power generated by Indiana-Kentucky Electric Corporation is purchased by Ohio Valley Electric Corporation, the Parent Company, under the Power Agreement between the two companies dated July 10, 1953.

NOTE 3: Aggregate of settlements for the year paid by Ohio Valley Electric Corporation to Indiana-Kentucky Electric Corporation pursuant to Section 2.01 of the Power Agreement between these two companies, a copy of which has been filed with your commission.

**Schedule Page: 326 Line No.: 3 Column: a**

NOTE 2: Arranged Power as defined in the Arranged Power Letter Agreement dated April 29, 2003 filed with the Public Utilities Commission of Ohio between Ohio Valley Electric Corporation and the United States of America, acting by and through the Secretary of Energy, the statutory head of the Department of Energy.

NOTE 4: Aggregate of settlements for the year paid by Ohio Valley Electric Corporation for Arranged Power (see NOTE 2).



Name of Respondent Ohio Valley Electric Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/18/2007	Year/Period of Report End of 2006/Q4
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MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (ELECTRIC)

Line No.	Description (a)	Amount (b)
1	Industry Association Dues	
2	Nuclear Power Research Expenses	
3	Other Experimental and General Research Expenses	
4	Pub & Dist Info to Stkhldrs...expn servicing outstanding Securities	
5	Oth Expn >=5,000 show purpose, recipient, amount. Group if < \$5,000	12,757
6	CINTAS Corporation	9,430
7	Verizon North Telephone	24,241
8	American Electric Power -- Electricity Service	38,597
9	USEC	5,914
10	Pitney Bowes	22,506
11	Citibank - CMRS Postage	16,000
12	Sprint PCS Telephone Service	12,649
13	KeyBank Charges	341,297
14	Gordon Flesch Co.	5,211
15	Standard & Poor's Rating Service	35,000
16	Moody's Investors Service	24,000
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46	TOTAL	547,602

Name of Respondent Ohio Valley Electric Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/18/2007	Year/Period of Report End of 2006/Q4
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**DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Account 403, 404, 405)**  
(Except amortization of acquisition adjustments)

- Report in section A for the year the amounts for : (b) Depreciation Expense (Account 403); (c) Depreciation Expense for Asset Retirement Costs (Account 403.1); (d) Amortization of Limited-Term Electric Plant (Account 404); and (e) Amortization of Other Electric Plant (Account 405).
- Report in Section 8 the rates used to compute amortization charges for electric plant (Accounts 404 and 405). State the basis used to compute charges and whether any changes have been made in the basis or rates used from the preceding report year.
- Report all available information called for in Section C every fifth year beginning with report year 1971, reporting annually only changes to columns (c) through (g) from the complete report of the preceding year.  
Unless composite depreciation accounting for total depreciable plant is followed, list numerically in column (a) each plant subaccount, account or functional classification, as appropriate, to which a rate is applied. Identify at the bottom of Section C the type of plant included in any sub-account used.  
In column (b) report all depreciable plant balances to which rates are applied showing subtotals by functional Classifications and showing composite total. Indicate at the bottom of section C the manner in which column balances are obtained. If average balances, state the method of averaging used.  
For columns (c), (d), and (e) report available information for each plant subaccount, account or functional classification Listed in column (a). If plant mortality studies are prepared to assist in estimating average service Lives, show in column (f) the type mortality curve selected as most appropriate for the account and in column (g), if available, the weighted average remaining life of surviving plant. If composite depreciation accounting is used, report available information called for in columns (b) through (g) on this basis.
- If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state at the bottom of section C the amounts and nature of the provisions and the plant items to which related.

**A. Summary of Depreciation and Amortization Charges**

Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Depreciation Expense for Asset Retirement Costs (Account 403.1) (c)	Amortization of Limited Term Electric Plant (Account 404) (d)	Amortization of Other Electric Plant (Acc 405) (e)	Total (f)
1	Intangible Plant					
2	Steam Production Plant					
3	Nuclear Production Plant					
4	Hydraulic Production Plant-Conventional					
5	Hydraulic Production Plant-Pumped Storage					
6	Other Production Plant					
7	Transmission Plant					
8	Distribution Plant					
9	Regional Transmission and Market Operation					
10	General Plant					
11	Common Plant-Electric	15,145,659				15,145,659
12	TOTAL	15,145,659				15,145,659

**B. Basis for Amortization Charges**

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DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)

C. Factors Used in Estimating Depreciation Charges

Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12							
13							
14							
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Name of Respondent Ohio Valley Electric Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/18/2007	Year/Period of Report End of 2006/Q4
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**REGULATORY COMMISSION EXPENSES**

- Report particulars (details) of regulatory commission expenses incurred during the current year (or incurred in previous years, if being amortized) relating to format cases before a regulatory body, or cases in which such a body was a party.
- Report in columns (b) and (c), only the current year's expenses that are not deferred and the current year's amortization of amounts deferred in previous years.

Line No.	Description (Furnish name of regulatory commission or body the docket or case number and a description of the case) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expense for Current Year (b) + (c) (d)	Deferred in Account 182.3 at Beginning of Year (e)
1	FERC Order 582				
2	Assessment for maintenance of the				
3	Federal Energy Regulatory Commission	717,632		717,632	
4					
5	Section 4905.10 Ohio Revised Code				
6	Assessment for maintenance of the				
7	Public Utilities Commission of Ohio	20,650		20,650	
8					
9	Section 4911.18 Ohio Revised Code				
10	Assessment for maintenance of the				
11	Office of the Consumers' Counsel of Ohio	4,562		4,562	
12					
13	Miscellaneous charge	1,590		1,590	
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46	<b>TOTAL</b>	744,434		744,434	

REGULATORY COMMISSION EXPENSES (Continued)

3. Show in column (k) any expenses incurred in prior years which are being amortized. List in column (a) the period of amortization.
4. List in column (f), (g), and (h) expenses incurred during year which were charged currently to income, plant, or other accounts.
5. Minor items (less than \$25,000) may be grouped.

EXPENSES INCURRED DURING YEAR			AMORTIZED DURING YEAR				Line No.
CURRENTLY CHARGED TO			Deferred to Account 182.3 (i)	Contra Account (j)	Amount (k)	Deferred in Account 182.3 End of Year (l)	
Department (f)	Account No. (g)	Amount (h)					
							1
							2
Electric	928	717,632					3
							4
							5
							6
Electric	928	20,650					7
							8
							9
							10
Electric	928	4,562					11
							12
Electric	928	1,590					13
							14
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		744,434					46

Name of Respondent Ohio Valley Electric Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/18/2007	Year/Period of Report End of 2006/Q4
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**RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES**

- Describe and show below costs incurred and accounts charged during the year for technological research, development, and demonstration (R, D & D) project initiated, continued or concluded during the year. Report also support given to others during the year for jointly-sponsored projects. (Identify recipient regardless of affiliation.) For any R, D & D work carried with others, show separately the respondent's cost for the year and cost chargeable to others (See definition of research, development, and demonstration in Uniform System of Accounts).
- Indicate in column (a) the applicable classification, as shown below:

**Classifications:**

- A. Electric R, D & D Performed Internally:**
- (1) Generation
    - a. hydroelectric
      - i. Recreation fish and wildlife
      - ii Other hydroelectric
    - b. Fossil-fuel steam
    - c. Internal combustion or gas turbine
    - d. Nuclear
    - e. Unconventional generation
    - f. Siting and heat rejection
  - (2) Transmission
    - a. Overhead
    - b. Underground
  - (3) Distribution
  - (4) Regional Transmission and Market Operation
  - (5) Environment (other than equipment)
  - (6) Other (Classify and include items in excess of \$5,000.)
  - (7) Total Cost Incurred
- B. Electric, R, D & D Performed Externally:**
- (1) Research Support to the electrical Research Council or the Electric Power Research Institute

Line No.	Classification (a)	Description (b)
1	A - (5)	Ohio River Ecological Research Program
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Name of Respondent Ohio Valley Electric Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/18/2007	Year/Period of Report End of 2006/Q4
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**RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES (Continued)**

- (2) Research Support to Edison Electric Institute
- (3) Research Support to Nuclear Power Groups
- (4) Research Support to Others (Classify)
- (5) Total Cost Incurred

- 3. Include in column (c) all R, D & D items performed internally and in column (d) those items performed outside the company costing \$5,000 or more, briefly describing the specific area of R, D & D (such as safety, corrosion control, pollution, automation, measurement, insulation, type of appliance, etc.). Group items under \$5,000 by classifications and indicate the number of items grouped. Under Other, (A (6) and B (4)) classify items by type of R, D & D activity.
- 4. Show in column (e) the account number charged with expenses during the year or the account to which amounts were capitalized during the year, listing Account 107, Construction Work in Progress, first. Show in column (f) the amounts related to the account charged in column (e)
- 5. Show in column (g) the total unamortized accumulating of costs of projects. This total must equal the balance in Account 188, Research, Development, and Demonstration Expenditures, Outstanding at the end of the year.
- 6. If costs have not been segregated for R, D & D activities or projects, submit estimates for columns (c), (d), and (f) with such amounts identified by "Est."
- 7. Report separately research and related testing facilities operated by the respondent.

Costs Incurred Internally Current Year (c)	Costs Incurred Externally Current Year (d)	AMOUNTS CHARGED IN CURRENT YEAR		Unamortized Accumulation (g)	Line No.
		Account (e)	Amount (f)		
149,025		923.3	149,025		1
					2
					3
					4
					5
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Name of Respondent Ohio Valley Electric Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/18/2007	Year/Period of Report End of 2006/Q4
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**DISTRIBUTION OF SALARIES AND WAGES**

Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals, and Other Accounts, and enter such amounts in the appropriate lines and columns provided. In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used.

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll charged for Clearing Accounts (c)	Total (d)
1	Electric			
2	Operation			
3	Production	11,885,001		
4	Transmission	1,680,350		
5	Regional Market			
6	Distribution			
7	Customer Accounts			
8	Customer Service and Informational			
9	Sales			
10	Administrative and General	3,275,833		
11	TOTAL Operation (Enter Total of lines 3 thru 10)	16,841,184		
12	Maintenance			
13	Production	8,118,435		
14	Transmission	543,453		
15	Regional Market			
16	Distribution			
17	Administrative and General			
18	TOTAL Maintenance (Total of lines 13 thru 17)	8,661,888		
19	Total Operation and Maintenance			
20	Production (Enter Total of lines 3 and 13)	20,003,436		
21	Transmission (Enter Total of lines 4 and 14)	2,223,803		
22	Regional Market (Enter Total of Lines 5 and 15)			
23	Distribution (Enter Total of lines 6 and 16)			
24	Customer Accounts (Transcribe from line 7)			
25	Customer Service and Informational (Transcribe from line 8)			
26	Sales (Transcribe from line 9)			
27	Administrative and General (Enter Total of lines 10 and 17)	3,275,833		
28	TOTAL Oper. and Maint. (Total of lines 20 thru 27)	25,503,072		25,503,072
29	Gas			
30	Operation			
31	Production-Manufactured Gas			
32	Production-Nat. Gas (Including Expl. and Dev.)			
33	Other Gas Supply			
34	Storage, LNG Terminaling and Processing			
35	Transmission			
36	Distribution			
37	Customer Accounts			
38	Customer Service and Informational			
39	Sales			
40	Administrative and General			
41	TOTAL Operation (Enter Total of lines 31 thru 40)			
42	Maintenance			
43	Production-Manufactured Gas			
44	Production-Natural Gas (Including Exploration and Development)			
45	Other Gas Supply			
46	Storage, LNG Terminaling and Processing			
47	Transmission			



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DISTRIBUTION OF SALARIES AND WAGES (Continued)

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll charged for Clearing Accounts (c)	Total (d)
48	Distribution			
49	Administrative and General			
50	TOTAL Maint. (Enter Total of lines 43 thru 49)			
51	Total Operation and Maintenance			
52	Production-Manufactured Gas (Enter Total of lines 31 and 43)			
53	Production-Natural Gas (Including Expl. and Dev.) (Total lines 32,			
54	Other Gas Supply (Enter Total of lines 33 and 45)			
55	Storage, LNG Terminaling and Processing (Total of lines 31 thru			
56	Transmission (Lines 35 and 47)			
57	Distribution (Lines 36 and 48)			
58	Customer Accounts (Line 37)			
59	Customer Service and Informational (Line 38)			
60	Sales (Line 39)			
61	Administrative and General (Lines 40 and 49)			
62	TOTAL Operation and Maint. (Total of lines 52 thru 61)			
63	Other Utility Departments			
64	Operation and Maintenance			
65	TOTAL All Utility Dept. (Total of lines 28, 62, and 64)	25,503,072		25,503,072
66	Utility Plant			
67	Construction (By Utility Departments)			
68	Electric Plant	418,565		418,565
69	Gas Plant			
70	Other (provide details in footnote):			
71	TOTAL Construction (Total of lines 68 thru 70)	418,565		418,565
72	Plant Removal (By Utility Departments)			
73	Electric Plant	10,655		10,655
74	Gas Plant			
75	Other (provide details in footnote):			
76	TOTAL Plant Removal (Total of lines 73 thru 75)	10,655		10,655
77	Other Accounts (Specify, provide details in footnote):	38,406		38,406
78				
79				
80				
81				
82				
83				
84				
85				
86				
87				
88				
89				
90				
91				
92				
93				
94				
95	TOTAL Other Accounts	38,406		38,406
96	TOTAL SALARIES AND WAGES	25,970,698		25,970,698

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Ohio Valley Electric Corporation	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 05/18/2007	2006/Q4
FOOTNOTE DATA			

**Schedule Page: 354 Line No.: 77 Column: b**

Account 186.10

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**PURCHASES AND SALES OF ANCILLARY SERVICES**

Report the amounts for each type of ancillary service shown in column (a) for the year as specified in Order No. 888 and defined in the respondents Open Access Transmission Tariff.

In columns for usage, report usage-related billing determinant and the unit of measure.

(1) On line 1 columns (b), (c), (d), (e), (f) and (g) report the amount of ancillary services purchased and sold during the year.

(2) On line 2 columns (b) (c), (d), (e), (f), and (g) report the amount of reactive supply and voltage control services purchased and sold during the year.

(3) On line 3 columns (b) (c), (d), (e), (f), and (g) report the amount of regulation and frequency response services purchased and sold during the year.

(4) On line 4 columns (b), (c), (d), (e), (f), and (g) report the amount of energy imbalance services purchased and sold during the year.

(5) On lines 5 and 6, columns (b), (c), (d), (e), (f), and (g) report the amount of operating reserve spinning and supplement services purchased and sold during the period.

(6) On line 7 columns (b), (c), (d), (e), (f), and (g) report the total amount of all other types ancillary services purchased or sold during the year. Include in a footnote and specify the amount for each type of other ancillary service provided.

Line No.	Type of Ancillary Service (a)	Amount Purchased for the Year			Amount Sold for the Year		
		Usage - Related Billing Determinant			Usage - Related Billing Determinant		
		Number of Units (b)	Unit of Measure (c)	Dollars (d)	Number of Units (e)	Unit of Measure (f)	Dollars (g)
1	Scheduling, System Control and Dispatch		NA			NA	
2	Reactive Supply and Voltage		NA			NA	
3	Regulation and Frequency Response		NA			NA	
4	Energy Imbalance		NA			NA	
5	Operating Reserve - Spinning		NA			NA	
6	Operating Reserve - Supplement		NA			NA	
7	Other		NA			NA	
8	Total (Lines 1 thru 7)						

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**MONTHLY TRANSMISSION SYSTEM PEAK LOAD**

- (1) Report the monthly peak load on the respondent's transmission system. If the respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system.  
(2) Report on Column (b) by month the transmission system's peak load.  
(3) Report on Columns (c) and (d) the specified information for each monthly transmission - system peak load reported on Column (b).  
(4) Report on Columns (e) through (j) by month the system' monthly maximum megawatt load by statistical classifications. See General Instruction for the definition of each statistical classification.

**NAME OF SYSTEM:**

Line No.	Month (a)	Monthly Peak MW - Total (b)	Day of Monthly Peak (c)	Hour of Monthly Peak (d)	Firm Network Service for Self (e)	Firm Network Service for Others (f)	Long-Term Firm Point-to-point Reservations (g)	Other Long-Term Firm Service (h)	Short-Term Firm Point-to-point Reservation (i)	Other Service (j)
1	January	103	2	700			2,256			
2	February	92	3	100			2,256			
3	March	98	12	900			2,256			
4	Total for Quarter 1	293					6,768			
5	April	89	14	500			2,256		463	
6	May	87	31	900			2,256		463	
7	June	83	2	1100			2,256		463	
8	Total for Quarter 2	259					6,768		1,389	
9	July	81	21	1900			2,256		469	
10	August	80	28	1000			2,256		469	
11	September	88	12	1500			2,256		469	
12	Total for Quarter 3	249					6,768		1,407	
13	October	109	27	1700			2,256		469	
14	November	105	15	1400			2,256		469	
15	December	89	25	1600			2,256		469	
16	Total for Quarter 4	303					6,768		1,407	
17	Total Year to Date/Year	1,104					27,072		4,203	

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
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FOOTNOTE DATA			

**Schedule Page: 400 Line No.: 1 Column: b**

Transmission data includes both Ohio Valley Electric Corporation and its wholly owned subsidiary, Indiana-Kentucky Electric Corporation. This information is not tracked on an individual basis.

Name of Respondent Ohio Valley Electric Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/18/2007	Year/Period of Report End of <u>2006/Q4</u>
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**ELECTRIC ENERGY ACCOUNT**

Report below the information called for concerning the disposition of electric energy generated, purchased, exchanged and wheeled during the year.

Line No.	Item (a)	MegaWatt Hours (b)	Line No.	Item (a)	MegaWatt Hours (b)
1	<b>SOURCES OF ENERGY</b>		21	<b>DISPOSITION OF ENERGY</b>	
2	Generation (Excluding Station Use):		22	Sales to Ultimate Consumers (Including Interdepartmental Sales)	246,371
3	Steam	7,339,706	23	Requirements Sales for Resale (See instruction 4, page 311.)	
4	Nuclear		24	Non-Requirements Sales for Resale (See instruction 4, page 311.)	16,226,777
5	Hydro-Conventional		25	Energy Furnished Without Charge	
6	Hydro-Pumped Storage		26	Energy Used by the Company (Electric Dept Only, Excluding Station Use)	
7	Other		27	Total Energy Losses	242,255
8	Less Energy for Pumping		28	<b>TOTAL (Enter Total of Lines 22 Through 27) (MUST EQUAL LINE 20)</b>	<b>16,715,403</b>
9	Net Generation (Enter Total of lines 3 through 8)	7,339,706			
10	Purchases	9,375,697			
11	Power Exchanges:				
12	Received				
13	Delivered				
14	Net Exchanges (Line 12 minus line 13)				
15	Transmission For Other (Wheeling)				
16	Received				
17	Delivered				
18	Net Transmission for Other (Line 16 minus line 17)				
19	Transmission By Others Losses				
20	<b>TOTAL (Enter Total of lines 9, 10, 14, 18 and 19)</b>	<b>16,715,403</b>			

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**MONTHLY PEAKS AND OUTPUT**

- (1) Report the monthly peak load and energy output. If the respondent has two or more power which are not physically integrated, furnish the required information for each non- integrated system.
- (2) Report on line 2 by month the system's output in Megawatt hours for each month.
- (3) Report on line 3 by month the non-requirements sales for resale. Include in the monthly amounts any energy losses associated with the sales.
- (4) Report on line 4 by month the system's monthly maximum megawatt load (60 minute integration) associated with the system.
- (5) Report on lines 5 and 6 the specified information for each monthly peak load reported on line 4.

**NAME OF SYSTEM:**

Line No.	Month (a)	Total Monthly Energy (b)	Monthly Non-Requirements Sales for Resale & Associated Losses (c)	MONTHLY PEAK		
				Megawatts (See Instr. 4) (d)	Day of Month (e)	Hour (f)
29	January	1,469,263	1,411,176	1,037	5	2400
30	February	1,429,533	1,379,169	1,045	11	0800
31	March	1,523,220	1,479,024	1,048	28	1600
32	April	1,401,091	1,365,226	845	1	0100
33	May	1,386,156	1,346,870	945	31	2300
34	June	1,332,865	1,299,045	999	5	1200
35	July	1,257,567	1,223,056	968	3	1400
36	August	1,442,247	1,404,402	969	18	1200
37	September	1,119,931	1,087,426	974	22	0900
38	October	1,464,933	1,425,645	1,033	25	1600
39	November	1,392,050	1,351,047	1,024	21	1800
40	December	1,496,547	1,454,691	1,020	1	0800
41	TOTAL	16,715,403	16,226,777			

Name of Respondent Ohio Valley Electric Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/18/2007	Year/Period of Report End of <u>2006/Q4</u>
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**STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants)**

1. Report data for plant in Service only. 2. Large plants are steam plants with installed capacity (name plate rating) of 25,000 Kw or more. Report in this page gas-turbine and internal combustion plants of 10,000 Kw or more, and nuclear plants. 3. Indicate by a footnote any plant leased or operated as a joint facility. 4. If net peak demand for 60 minutes is not available, give data which is available, specifying period. 5. If any employees attend more than one plant, report on line 11 the approximate average number of employees assignable to each plant. 6. If gas is used and purchased on a therm basis report the Btu content or the gas and the quantity of fuel burned converted to Mct. 7. Quantities of fuel burned (Line 38) and average cost per unit of fuel burned (Line 41) must be consistent with charges to expense accounts 501 and 547 (Line 42) as show on Line 20. 8. If more than one fuel is burned in a plant furnish only the composite heat rate for all fuels burned.

Line No.	Item (a)	Plant Name: <i>KYGER CREEK</i> (b)	Plant Name: (c)
1	Kind of Plant (Internal Comb, Gas Turb, Nuclear)	STEAM	
2	Type of Constr (Conventional, Outdoor, Boiler, etc)	CONVENTIONAL	
3	Year Originally Constructed	1955	
4	Year Last Unit was Installed	1955	
5	Total Installed Cap (Max Gen Name Plate Ratings-MW)	1086.30	0.00
6	Net Peak Demand on Plant - MW (60 minutes)	1048	0
7	Plant Hours Connected to Load	8760	0
8	Net Continuous Plant Capability (Megawatts)	0	0
9	When Not Limited by Condenser Water	1070	0
10	When Limited by Condenser Water	0	0
11	Average Number of Employees	366	0
12	Net Generation, Exclusive of Plant Use - KWh	7339706000	0
13	Cost of Plant: Land and Land Rights	469124	0
14	Structures and Improvements	56280166	0
15	Equipment Costs	465227791	0
16	Asset Retirement Costs	0	0
17	Total Cost	521977081	0
18	Cost per KW of Installed Capacity (line 17/5) Including	480.5091	0.0000
19	Production Expenses: Oper, Supv, & Engr	1370918	0
20	Fuel	131846722	0
21	Coolants and Water (Nuclear Plants Only)	0	0
22	Steam Expenses	4375514	0
23	Steam From Other Sources	0	0
24	Steam Transferred (Cr)	0	0
25	Electric Expenses	2419168	0
26	Misc Steam (or Nuclear) Power Expenses	6743713	0
27	Rents	0	0
28	Allowances	19121626	0
29	Maintenance Supervision and Engineering	563107	0
30	Maintenance of Structures	1513841	0
31	Maintenance of Boiler (or reactor) Plant	15563617	0
32	Maintenance of Electric Plant	4050676	0
33	Maintenance of Misc Steam (or Nuclear) Plant	568725	0
34	Total Production Expenses	188137627	0
35	Expenses per Net KWh	0.0256	0.0000
36	Fuel: Kind (Coal, Gas, Oil, or Nuclear)	COAL	
37	Unit (Coal-tons/Oil-barrel/Gas-mcf/Nuclear-indicate)	TONS	
38	Quantity (Units) of Fuel Burned	3241862	0
39	Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	11283	0
40	Avg Cost of Fuel/unit, as Delvd f.o.b. during year	36.984	0.000
41	Average Cost of Fuel per Unit Burned	39.172	0.000
42	Average Cost of Fuel Burned per Million BTU	2.066	0.000
43	Average Cost of Fuel Burned per KWh Net Gen	0.002	0.000
44	Average BTU per KWh Net Generation	10061.000	0.000



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STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants)(Continued)

9. Items under Cost of Plant are based on U. S. of A. Accounts. Production expenses do not include Purchased Power, System Control and Load Dispatching, and Other Expenses Classified as Other Power Supply Expenses. 10. For IC and GT plants, report Operating Expenses, Account Nos. 547 and 549 on Line 25 "Electric Expenses," and Maintenance Account Nos. 553 and 554 on Line 32, "Maintenance of Electric Plant." Indicate plants designed for peak load service. Designate automatically operated plants. 11. For a plant equipped with combinations of fossil fuel steam, nuclear steam, hydro, internal combustion or gas-turbine equipment, report each as a separate plant. However, if a gas-turbine unit functions in a combined cycle operation with a conventional steam unit, include the gas-turbine with the steam plant. 12. If a nuclear power generating plant, briefly explain by footnote (a) accounting method for cost of power generated including any excess costs attributed to research and development; (b) types of cost units used for the various components of fuel cost; and (c) any other informative data concerning plant type fuel used, fuel enrichment type and quantity for the report period and other physical and operating characteristics of plant.

Plant Name: (d)	Plant Name: (e)	Plant Name: (f)	Line No.
			1
			2
			3
			4
0.00	0.00	0.00	5
0	0	0	6
0	0	0	7
0	0	0	8
0	0	0	9
0	0	0	10
0	0	0	11
0	0	0	12
0	0	0	13
0	0	0	14
0	0	0	15
0	0	0	16
0	0	0	17
0.0000	0.0000	0.0000	18
0	0	0	19
0	0	0	20
0	0	0	21
0	0	0	22
0	0	0	23
0	0	0	24
0	0	0	25
0	0	0	26
0	0	0	27
0	0	0	28
0	0	0	29
0	0	0	30
0	0	0	31
0	0	0	32
0	0	0	33
0	0	0	34
0.0000	0.0000	0.0000	35
			36
			37
0	0	0	38
0	0	0	39
0.000	0.000	0.000	40
0.000	0.000	0.000	41
0.000	0.000	0.000	42
0.000	0.000	0.000	43
0.000	0.000	0.000	44

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**TRANSMISSION LINE STATISTICS**

1. Report information concerning transmission lines, cost of lines, and expenses for year. List each transmission line having nominal voltage of 132 kilovolts or greater. Report transmission lines below these voltages in group totals only for each voltage.
2. Transmission lines include all lines covered by the definition of transmission system plant as given in the Uniform System of Accounts. Do not report substation costs and expenses on this page.
3. Report data by individual lines for all voltages if so required by a State commission.
4. Exclude from this page any transmission lines for which plant costs are included in Account 121, Nonutility Property.
5. Indicate whether the type of supporting structure reported in column (e) is: (1) single pole wood or steel; (2) H-frame wood, or steel poles; (3) tower; or (4) underground construction. If a transmission line has more than one type of supporting structure, indicate the mileage of each type of construction by the use of brackets and extra lines. Minor portions of a transmission line of a different type of construction need not be distinguished from the remainder of the line.
6. Report in columns (f) and (g) the total pole miles of each transmission line. Show in column (f) the pole miles of line on structures the cost of which is reported for the line designated; conversely, show in column (g) the pole miles of line on structures the cost of which is reported for another line. Report pole miles of line on leased or partly owned structures in column (g). In a footnote, explain the basis of such occupancy and state whether expenses with respect to such structures are included in the expenses reported for the line designated.

Line No.	DESIGNATION		VOLTAGE (KV) (Indicate where other than 60 cycle, 3 phase)		Type of Supporting Structure (e)	LENGTH (Pole miles) (In the case of underground lines report circuit miles)		Number Of Circuits (h)
	From (a)	To (b)	Operating (c)	Designed (d)		On Structure of Line Designated (f)	On Structures of Another Line (g)	
1	Kyger Creek	Ohio-W.VA						
2		State Line						
3		Sporn-						
4		Tristate	345.00	330.00	Steel Tower	0.40		2
5								
6	Kyger Creek	X-530(DOE)	345.00	330.00	Steel Tower	50.40		2
7								
8	Kyger Creek	X-533(DOE)	345.00	330.00	Steel Tower	49.10		2
9								
10	Pierce	X-530(DOE)	345.00	330.00	Steel Tower	71.50		2
11								
12	Pierce	X-533(DOE)	345.00	330.00	Steel Tower	70.70		2
13								
14	Ind.-Kentucky							
15	State Line							
16	(Clifty Creek)	Pierce	345.00	330.00	Steel Tower	69.60		2
17								
18	Ind.-Kentucky							
19	State Line							
20	(Dearborn)	Pierce	345.00	330.00	Steel Tower	33.00		1
21								
22	Ind.-Kentucky							
23	State Line							
24	(Dearborn)	Buffington (CG&E)	345.00	330.00	Steel Tower		16.00	1
25								
26								
27	Pierce	Buffington (CG&E)	345.00	330.00	Steel Tower		17.00	1
28								
29								
30	Expenses Applicable							
31	To All Lines							
32								
33								
34								
35								
36					TOTAL	344.70	33.00	15

Name of Respondent Ohio Valley Electric Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/18/2007	Year/Period of Report End of 2006/Q4
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TRANSMISSION LINE STATISTICS (Continued)

7. Do not report the same transmission line structure twice. Report Lower voltage Lines and higher voltage lines as one line. Designate in a footnote if you do not include Lower voltage lines with higher voltage lines. If two or more transmission line structures support lines of the same voltage, report the pole miles of the primary structure in column (f) and the pole miles of the other line(s) in column (g)
8. Designate any transmission line or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, give name of lessor, date and terms of Lease, and amount of rent for year. For any transmission line other than a leased line, or portion thereof, for which the respondent is not the sole owner but which the respondent operates or shares in the operation of, furnish a succinct statement explaining the arrangement and giving particulars (details) of such matters as percent ownership by respondent in the line, name of co-owner, basis of sharing expenses of the Line, and how the expenses borne by the respondent are accounted for, and accounts affected. Specify whether lessor, co-owner, or other party is an associated company.
9. Designate any transmission line leased to another company and give name of Lessee, date and terms of lease, annual rent for year, and how determined. Specify whether lessee is an associated company.
10. Base the plant cost figures called for in columns (j) to (l) on the book cost at end of year.

Size of Conductor and Material (i)	COST OF LINE (Include in Column (j) Land, Land rights, and clearing right-of-way)			EXPENSES, EXCEPT DEPRECIATION AND TAXES				Line No.
	Land (j)	Construction and Other Costs (k)	Total Cost (l)	Operation Expenses (m)	Maintenance Expenses (n)	Rents (o)	Total Expenses (p)	
								1
								2
1.75 in.								3
Aluminum		81,232	81,232					4
"	254,459	3,576,700	3,831,159					5
"	244,852	3,397,636	3,642,488					6
"	389,206	5,533,748	5,922,954					7
"	477,960	4,893,925	5,371,885					8
								9
								10
"	341,839	4,922,293	5,264,132					11
								12
								13
"	221,853	2,391,061	2,612,914					14
								15
								16
								17
								18
								19
								20
								21
								22
								23
"								24
								25
								26
"								27
								28
								29
								30
				2,304,550	960,424		3,264,974	31
								32
								33
								34
								35
	1,930,169	24,796,595	26,726,764	2,304,550	960,424		3,264,974	36

Name of Respondent Ohio Valley Electric Corporation	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/18/2007	Year/Period of Report 2006/Q4
FOOTNOTE DATA			

**Schedule Page: 422 Line No.: 24 Column: a**

The pole miles and cost of these transmission lines are included in the Indiana-Kentucky State Line (Dearborn) to Pierce information. One circuit of this double circuit transmission line has been interconnected at the Buffington Substation of Cincinnati Gas & Electric Company.

**Schedule Page: 422 Line No.: 27 Column: a**

See footnote for page 422 line 24 column a.

Name of Respondent Ohio Valley Electric Corporation	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/18/2007	Year/Period of Report End of 2006/Q4
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**SUBSTATIONS**

1. Report below the information called for concerning substations of the respondent as of the end of the year.
2. Substations which serve only one industrial or street railway customer should not be listed below.
3. Substations with capacities of Less than 10 MVa except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVa)		
			Primary (c)	Secondary (d)	Tertiary (e)
1	Kyger Creek-Cheshire, OH	Transmission			
2		Partially Attended	15.50	345.00	
3					
4	Sargents-Piketon, OH	Transmission			
5		Attended	345.00	138.00	
6					
7	Pierce-New Richmond, OH	Transmission			
8		Unattended	345.00	138.00	
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20	*MVa Changed to KV				
21					
22					
23					
24					
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26					
27					
28					
29					
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31					
32					
33					
34					
35					
36					
37					
38					
39					
40					

SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.

6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVA) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVA) (k)	
1200	15	2	None			1
						2
						3
150	1		None			4
						5
						6
250	2		None			7
						8
						9
						10
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