

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 2007/Q4



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INDEPENDENT AUDITORS' REPORT

Ohio Valley Electric Corporation
Piketon, Ohio

We have audited the balance sheet—regulatory basis of Ohio Valley Electric Corporation (the “Company”) as of December 31, 2007, and the related statements of income—regulatory basis; retained earnings—regulatory basis; and cash flows—regulatory basis for the year ended December 31, 2007, 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 expressing an opinion on the effectiveness of the Company’s internal control over financial 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 on page 123.1, these financial statements were prepared in accordance with the accounting 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 regulatory-basis financial statements present fairly, in all material respects, the assets, liabilities, and proprietary capital of Ohio Valley Electric Corporation as of December 31, 2007, and the results of its operations and its cash flows for the year ended December 31, 2007, in accordance with the accounting requirements of the Federal Energy 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 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 16, 2008

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 18th 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>2007/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) 05/18/2008

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) 05/18/2008
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) 05/18/2008	Year/Period of Report End of <u>2007/Q4</u>
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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) 05/18/2008	Year/Period of Report End of <u>2007/Q4</u>
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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)
37	Accumulated Deferred Income Taxes-Accelerated Amortization Property	272-273	NONE
38	Accumulated Deferred Income Taxes-Other Property	274-275	NONE
39	Accumulated Deferred Income Taxes-Other	276-277	NONE
40	Other Regulatory Liabilities	278	
41	Electric Operating Revenues	300-301	
42	Sales of Electricity by Rate Schedules	304	
43	Sales for Resale	310-311	
44	Electric Operation and Maintenance Expenses	320-323	
45	Purchased Power	326-327	
46	Transmission of Electricity for Others	328-330	NONE
47	Transmission of Electricity by ISO/RTOs	331	NONE
48	Transmission of Electricity by Others	332	NONE
49	Miscellaneous General Expenses-Electric	335	
50	Depreciation and Amortization of Electric Plant	336-337	
51	Regulatory Commission Expenses	350-351	
52	Research, Development and Demonstration Activities	352-353	
53	Distribution of Salaries and Wages	354-355	
54	Common Utility Plant and Expenses	356	NONE
55	Amounts included in ISO/RTO Settlement Statements	397	NONE
56	Purchase and Sale of Ancillary Services	398	
57	Monthly Transmission System Peak Load	400	
58	Monthly ISO/RTO Transmission System Peak Load	400a	NONE
59	Electric Energy Account	401	
60	Monthly Peaks and Output	401	
61	Steam Electric Generating Plant Statistics	402-403	
62	Hydroelectric Generating Plant Statistics	406-407	NA
63	Pumped Storage Generating Plant Statistics	408-409	NA
64	Generating Plant Statistics Pages	410-411	NA
65	Transmission Line Statistics Pages	422-423	
66	Transmission Lines Added During the Year	424-425	NONE

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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) 05/18/2008	Year/Period of Report End of <u>2007/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

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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, 2007.

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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) 05/18/2008	Year/Period of Report End of <u>2007/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) 05/18/2008	Year/Period of Report 2007/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) 05/18/2008	Year/Period of Report End of <u>2007/Q4</u>
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DIRECTORS

- 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.
- 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	William S. Doty	One Vectren Square, Evansville, IN 47708
3	Carl L. English	1 Riverside Plaza, Columbus, OH 43215
4	Richard R. Grigg	76 South Main St., Akron, OH 44308
5	Holly K. Koeppel	1 Riverside Plaza, Columbus, OH 43215
6	Charles D. Lasky	76 South Main St., Akron, OH 44308
7	Michael G. Morris, President **	1 Riverside Plaza, Columbus, OH 43215
8	Patrick W. O'Loughlin	6677 Busch Blvd., Columbus, OH 43226
9	Leo C. Rajter ***	800 Cabin Hill Dr., Greensburg, PA 15601
10	Donald R. Schneider	76 South Main St., Akron, OH 44308
11	Stanley F. Szwed***	76 South Main St., Akron, OH 44308
12	Paul W. Thompson	220 West Main St., Louisville, KY 40202
13	John N. Voyles, Jr.***	220 West Main St., Louisville, KY 40202
14	Charles Whitlock ***	221 East Fourth St., 5th Floor, Cincinnati, OH 45202
15	W. Steven Wolff	1065 Woodman Drive, Dayton, OH 45432
16	Gary G. Stephenson	1065 Woodman Drive, Dayton, OH 45432
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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) 05/18/2008	Year/Period of Report 2007/Q4
FOOTNOTE DATA			

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

Gary G. Stephenson was elected 8/07 to replace W. Steven Wolff.

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 05/18/2008	Year/Period of Report End of <u>2007/Q4</u>
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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	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	05/18/2008	2007/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, 2007, a general wage increase of approximately 3.12% was given to employees except management and clerical personnel. All eligible 2006 employees received a 5.8% bonus that was paid in 2007.
9. Not Applicable
10. Not Applicable
11. Not Applicable
12. See Notes to the Financial Statements beginning on page 122.
13. None
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) 05/18/2008	Year/Period of Report End of <u>2007/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)
1	UTILITY PLANT			
2	Utility Plant (101-106, 114)	200-201	581,116,307	577,048,301
3	Construction Work in Progress (107)	200-201	214,377,985	58,388,235
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		795,494,292	635,436,536
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200-201	372,034,376	362,739,153
6	Net Utility Plant (Enter Total of line 4 less 5)		423,459,916	272,697,383
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)		423,459,916	272,697,383
15	Utility Plant Adjustments (116)	122	0	0
16	Gas Stored Underground - Noncurrent (117)		0	0
17	OTHER PROPERTY AND INVESTMENTS			
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	151,469,747	159,583,158
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)		151,469,747	159,583,158
33	CURRENT AND ACCRUED ASSETS			
34	Cash and Working Funds (Non-major Only) (130)		0	0
35	Cash (131)		237,911	292,534
36	Special Deposits (132-134)		2,000	2,000
37	Working Fund (135)		10,949	8,669
38	Temporary Cash Investments (136)		107,433,428	58,321,791
39	Notes Receivable (141)		0	0
40	Customer Accounts Receivable (142)		23,848,665	21,087,615
41	Other Accounts Receivable (143)		708,914	148,906
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)		71,422,670	0
45	Fuel Stock (151)	227	30,151,099	17,558,658
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	8,299,128	7,697,764
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	11,787,964	34,062,986

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) 05/18/2008	Year/Period of Report End of <u>2007/Q4</u>
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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	1,761	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)		827,617	706,698
58	Advances for Gas (166-167)		0	0
59	Interest and Dividends Receivable (171)		5,892	4,680
60	Rents Receivable (172)		0	0
61	Accrued Utility Revenues (173)		0	0
62	Miscellaneous Current and Accrued Assets (174)		2,227,920	1,972,800
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)		256,965,918	141,865,101
68	DEFERRED DEBITS			
69	Unamortized Debt Expenses (181)		6,831,081	4,471,926
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	28,613,743	28,007,410
73	Prelim. Survey and Investigation Charges (Electric) (183)		36,085	370,368
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	8,633,399	256,744
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	39,418,189	39,099,938
83	Unrecovered Purchased Gas Costs (191)		0	0
84	Total Deferred Debits (lines 69 through 83)		83,532,497	72,206,386
85	TOTAL ASSETS (lines 14-16, 32, 67, and 84)		915,428,078	646,352,028

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) 05/18/2008	Year/Period of Report end of 2007/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	2,915,642	2,274,261
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)		12,915,642	12,274,261
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	722,961,403	488,963,211
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)		722,961,403	488,963,211
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)		47,591,564	30,843,882
39	Notes Payable to Associated Companies (233)		0	0
40	Accounts Payable to Associated Companies (234)		0	-15,889,151
41	Customer Deposits (235)		0	0
42	Taxes Accrued (236)	262-263	4,950,180	4,178,720
43	Interest Accrued (237)		10,003,144	9,958,317
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 Rresubmission	Date of Report (mo, da, yr) 05/18/2008	Year/Period of Report end of 2007/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	0
48	Miscellaneous Current and Accrued Liabilities (242)		3,817,403	3,552,522
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)		66,362,291	32,644,290
55	DEFERRED CREDITS			
56	Customer Advances for Construction (252)		11,148,711	5,056,624
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	29,916,773	31,415,716
60	Other Regulatory Liabilities (254)	278	68,730,112	72,604,780
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)		113,188,742	112,470,266
66	TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65)		915,428,078	646,352,028

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STATEMENT OF INCOME

Quarterly

1. 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.
2. 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.
3. 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.
4. If additional columns are needed place them in a footnote.

Annual or Quarterly if applicable

5. Do not report fourth quarter data in columns (e) and (f)
6. 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.
7. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.
8. 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	531,362,221	523,913,383		
3	Operating Expenses					
4	Operation Expenses (401)	320-323	447,578,126	451,222,727		
5	Maintenance Expenses (402)	320-323	32,329,137	23,257,425		
6	Depreciation Expense (403)	336-337	9,131,505	15,145,659		
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	4,195,541	3,818,554		
15	Income Taxes - Federal (409.1)	262-263	2,504,331	-3,535,731		
16	- Other (409.1)	262-263	521,703	301,963		
17	Provision for Deferred Income Taxes (410.1)	234, 272-277	2,144,137	6,982,690		
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234, 272-277	3,771,088	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)		494,633,392	494,626,734		
26	Net Util Oper Inc (Enter Tot line 2 less 25) Carry to Pg117,line 27		36,728,829	29,286,649		

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) 05/18/2008	Year/Period of Report End of 2007/Q4
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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
531,362,221	523,913,383					2
						3
447,578,126	451,222,727					4
32,329,137	23,257,425					5
9,131,505	15,145,659					6
						7
						8
						9
						10
						11
						12
						13
4,195,541	3,818,554					14
2,504,331	-3,535,731					15
521,703	301,963					16
2,144,137	6,982,690					17
3,771,088	2,566,553					18
						19
						20
						21
						22
						23
						24
494,633,392	494,626,734					25
36,728,829	29,286,649					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) 05/18/2008	Year/Period of Report End of 2007/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)		36,728,829	29,286,649		
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)		4,592,872	4,027,145		
38	Allowance for Other Funds Used During Construction (419.1)					
39	Miscellaneous Nonoperating Income (421)		215,384	524,228		
40	Gain on Disposition of Property (421.1)		300,000			
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		5,108,256	4,551,373		
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)					
44	Miscellaneous Amortization (425)	340				
45	Donations (426.1)	340	23,359	7,796		
46	Life Insurance (426.2)					
47	Penalties (426.3)			8,199		
48	Exp. for Certain Civic, Political & Related Activities (426.4)		6,643	10,772		
49	Other Deductions (426.5)					
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		30,002	26,767		
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		
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		
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		5,078,254	4,245,862		
61	Interest Charges					
62	Interest on Long-Term Debt (427)		33,205,185	26,221,853		
63	Amort. of Debt Disc. and Expense (428)		404,083	627,022		
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	3,056,434	2,657,878		
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)					
70	Net Interest Charges (Total of lines 62 thru 69)		36,665,702	29,506,753		
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		5,141,381	4,025,758		
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)		5,141,381	4,025,758		

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) 05/18/2008	Year/Period of Report End of <u>2007/Q4</u>
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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)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)			
1	Balance-Beginning of Period		2,274,261	2,048,503
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)		5,141,381	4,025,758
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			-4,500,000	(3,800,000)
32				
33				
34				
35				
36	TOTAL Dividends Declared-Common Stock (Acct. 438)		-4,500,000	(3,800,000)
37	Transfers from Acct 216.1, Unapprop. Undistrib. Subsidiary Earnings			
38	Balance - End of Period (Total 1,9,15,16,22,29,36,37)		2,915,642	2,274,261

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) 05/18/2008	Year/Period of Report End of <u>2007/Q4</u>
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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)
	APPROPRIATED RETAINED EARNINGS (Account 215)			
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)		2,915,642	2,274,261
	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) 05/18/2008	Year/Period of Report End of <u>2007/Q4</u>
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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)	5,141,381	4,025,758
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	9,131,505	15,145,659
5	Amortization of debt expense	404,083	627,022
6	Gain on disposal of assets	-300,000	
7			
8	Deferred Income Taxes (Net)	783,148	1,159,153
9	Investment Tax Credit Adjustment (Net)		
10	Net (Increase) Decrease in Receivables	-3,322,270	-2,449,856
11	Net (Increase) Decrease in Inventory	-13,193,805	638,692
12	Net (Increase) Decrease in Allowances Inventory	22,275,022	-6,546,537
13	Net Increase (Decrease) in Payables and Accrued Expenses	3,757,426	4,169,030
14	Net (Increase) Decrease in Other Regulatory Assets	1,573,792	-2,626,168
15	Net Increase (Decrease) in Other Regulatory Liabilities	13,543,287	-2,781,262
16	(Less) Allowance for Other Funds Used During Construction		
17	(Less) Undistributed Earnings from Subsidiary Companies		
18	Other (provide details in footnote):	-4,052,780	21,741,763
19	Gain (loss) on disposal of assets		1,858
20			
21			
22	Net Cash Provided by (Used in) Operating Activities (Total 2 thru 21)	35,740,789	33,105,112
23			
24	Cash Flows from Investment Activities:		
25	Construction and Acquisition of Plant (including land):		
26	Gross Additions to Utility Plant (less nuclear fuel)	-147,776,987	-86,886,891
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)	-147,776,987	-86,886,891
35			
36	Acquisition of Other Noncurrent Assets (d)		
37	Proceeds from Disposal of Noncurrent Assets (d)	300,000	
38			
39	Investments in and Advances to Assoc. and Subsidiary Companies	-65,939,462	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) 05/18/2008	Year/Period of Report End of 2007/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)	-213,416,449	-79,449,598
58			
59	Cash Flows from Financing Activities:		
60	Proceeds from Issuance of:		
61	Long-Term Debt (b)	460,000,000	445,000,000
62	Preferred Stock		
63	Common Stock		
64	Other (provide details in footnote):		
65	Loan Origination Costs	-2,763,237	-1,191,444
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)	457,236,763	443,808,556
71			
72	Payments for Retirement of:		
73	Long-term Debt (b)	-226,001,809	-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	-4,500,000	-3,800,000
82	Net Cash Provided by (Used in) Financing Activities		
83	(Total of lines 70 thru 81)	226,734,954	38,971,767
84			
85	Net Increase (Decrease) in Cash and Cash Equivalents		
86	(Total of lines 22,57 and 83)	49,059,294	-7,372,719
87			
88	Cash and Cash Equivalents at Beginning of Period	58,624,994	65,997,713
89			
90	Cash and Cash Equivalents at End of period	107,684,288	58,624,994

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) 05/18/2008	2007/Q4
FOOTNOTE DATA			

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

Other:

Property Taxes Applicable to Subsequent Years	\$ (255,120)
Prepays and Other	(122,680)
Refundable Federal Income Taxes	681
Refundable State Income Taxes	107,851
Other Assets	(8,376,656)
Deferred Revenue	6,092,087
Other Liabilities	(1,498,943)
Total	<u>\$ (4,052,780)</u>

Schedule Page: 120 Line No.: 18 Column:

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>

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 05/18/2008	Year/Period of Report End of <u>2007/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 Reacquired Debt, and 257, Unamortized Gain on Reacquired 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	05/18/2008	2007/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

This FERC Form 1 represents the financial statements of Ohio Valley Electric Corporation at December 31, 2007. Ohio Valley Electric Corporation's financial statements have been prepared in conformity with the 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 generally accepted accounting principles. The following areas represent significant differences between the Uniform System of Accounts and generally accepted accounting principles: (1) the presentation of majority-owned subsidiaries, (2) the presentation of significant non-cash transactions, (3) the presentation of current and non-current portions of long-term debt, and other liabilities, (4) the presentation of preliminary survey and investigation charges, and (5) the gross presentation of certain regulatory assets and regulatory liabilities.

Generally accepted accounting principles require that majority-owned subsidiaries be consolidated for financial reporting purposes. FERC requires majority-owned subsidiaries be reported as set forth in the Uniform System of Accounts and published accounting releases, which require majority-owned subsidiaries to be presented on an unconsolidated basis.

Generally accepted accounting principles require that the current and non-current portions of long-term debt, and other liabilities be appropriately identified and reported on the balance sheet. FERC requires that these items be reported as set forth in the Uniform System of Accounts and published accounting releases, which does not recognize any segregation between the current and non-current portions of these items for reporting purposes.

Generally accepted accounting principles require that preliminary survey and investigation charges be recorded as a component of construction work in progress. FERC requires that these items be reported as set forth in the Uniform System of Accounts and published accounting releases, which require preliminary survey and investigation charges be recorded as a deferred debit.

Generally accepted accounting principles require that intercompany receivables be recorded as a component of current assets. FERC requires that these items be reported as set forth in the Uniform System of Accounts and published accounting releases, which require intercompany receivables be recorded as a component of current and accrued liabilities.

Generally accepted accounting principles allow for net presentation of certain regulatory assets and liabilities when the legal right of offset exists. FERC requires that these items be reported as set forth in the Uniform System of Accounts and published accounting releases, which require gross presentation of certain regulatory assets and liabilities.

Ohio Valley Electric Corporation's Notes to Consolidating Financial Statements have been prepared in conformity with generally accepted accounting principles. Accordingly, certain footnotes are not reflective of Ohio Valley Electric Corporation's Financial Statements contained herein.

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) 05/18/2008	2007/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, 2007 AND 2006

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Consolidating Financial Statements — The consolidating 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 accompanying consolidating balance sheets 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 Sponsor billings at December 31, 2007 and 2006, were as follows:

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) 05/18/2008	Year/Period of Report 2007/Q4
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NOTES TO FINANCIAL STATEMENTS (Continued)

	2007		2006	
	OVEC	IKEC	OVEC	IKEC
Regulatory assets:				
Asset retirement costs	\$ 2,722,771	\$ 13,379,702	\$ 3,316,838	\$ 14,360,218
Unrecognized postemployment benefits	889,553	1,333,047	1,869,278	1,353,537
Deferred depreciation	24,444,960	14,198,469	22,264,835	14,874,586
Total regulatory assets	<u>\$ 28,057,284</u>	<u>\$ 28,911,218</u>	<u>\$ 27,450,951</u>	<u>\$ 30,588,341</u>
Regulatory liabilities:				
Current liabilities:				
Deferred credit — EPA emission allowance proceeds	\$ 426,959	\$ 466,811	\$ -	\$ -
Advance collection of interest	1,884,902			
Fuel related settlement		2,335,661		
Total	<u>\$ 2,311,861</u>	<u>\$ 2,802,472</u>	<u>\$ -</u>	<u>\$ -</u>
Other liabilities:				
Postretirement benefits	\$ 18,947,629	\$ -	\$ 15,279,174	\$ -
Pension benefits	8,623,799	7,426,450		
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	37,617,295	11,217,239	36,515,896	7,424,453
Other			1,060,828	
Total	<u>\$ 69,254,939</u>	<u>\$ 19,794,548</u>	<u>\$ 56,922,114</u>	<u>\$ 8,575,312</u>
Total regulatory liabilities	<u>\$ 71,566,800</u>	<u>\$ 22,597,020</u>	<u>\$ 56,922,114</u>	<u>\$ 8,575,312</u>

Regulatory Assets — Regulatory assets consist primarily of deferred depreciation, which is being recovered over the life of the debt that was used to fund the related plant additions. The Companies follow the sinking fund depreciation method for ratemaking purposes, and the difference between straight-line depreciation and the debt principal payments billed to customers is recorded as deferred depreciation. Other regulatory assets are being recovered on a long-term basis.

Regulatory Liabilities — The regulatory liabilities classified as current in the accompanying consolidating balance sheets represent emission allowance auction proceeds, a gain on a fuel related settlement, and interest expense collected from customers in advance of expense recognitions. These amounts will be credited to customer bills during 2008. Other regulatory liabilities consist primarily of income taxes refundable to customers, postretirement benefits, and pension benefits. Income taxes refundable to customers are credited to customer bills in the period when the related deferred tax assets are realized. The Companies' current ratemaking policy recovers pension expense in an amount equal to plan contributions and postretirement benefits in an amount equal to service cost. As a result, related regulatory liabilities are being credited to customer bills on a long-term basis. The remaining

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regulatory liabilities are awaiting credit to customer bills in a future period that is yet to be determined.

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. All depreciable property will be fully billed and depreciated prior to the expiration of the ICPA. Repairs of property are charged to maintenance expense.

Fuel in Storage, 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 Asset Retirement Costs — 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 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, 2007 and 2006, the Companies had a regulatory asset of \$16.1 million and \$17.7 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 consolidating financial statements herein.

Use of Estimates — The preparation of consolidating 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 consolidating financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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2. RELATED-PARTY TRANSACTIONS

Transactions with the Sponsoring Companies during 2007 and 2006 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 Department of Energy'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 Duke Energy Ohio, Inc. (formerly known as The Cincinnati Gas & Electric Company) that terminated in September 2006. The Companies have Power Agreements with Louisville Gas and Electric Company, Duke Energy Ohio, Inc., 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, Duke Energy Ohio, Inc., 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 Duke Energy Ohio, Inc. 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 ten years. The purchase price is contingent on the performance of the transformers, and as such, no receivable has been recognized in the accompanying consolidating balance sheets.

At December 31, 2007 and 2006, balances due from or to the Sponsoring Companies are as follows:

	2007	2006
Accounts receivable	\$23,136,138	\$20,395,954
Accounts payable	1,352,250	

American Electric Power Company, Inc. and a subsidiary company owned 43.47% of the common stock of OVEC as of December 31, 2007. The following is a summary of the principal services received from the American Electric Power Service Corporation as authorized by the Companies' Boards of Directors:

	2007	2006
General services	\$ 2,473,834	\$ 1,827,629
Specific projects	<u>10,623,656</u>	<u>7,081,180</u>
Total	<u>\$ 13,097,490</u>	<u>\$ 8,908,809</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 2008 through 2017. Pricing for coal under these contracts is subject to contract provisions and adjustments. The Companies currently have approximately 92% of their coal requirements under long-term agreements of one

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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, 2007. The \$200 million line of credit has an expiration date of August 4, 2010. At December 31, 2007 and 2006, OVEC had borrowed \$0 and \$50 million, respectively, under this line of credit. Interest expense related to line of credit borrowings was \$3,051,247 in 2007 and \$2,265,749 in 2006. During 2007 and 2006, OVEC incurred annual commitment fees of \$288,736 and \$313,500, respectively, based on the borrowing limits of the line of credit.

In February 2006, OVEC issued \$445 million unsecured senior notes ("Senior 2006 Notes") in a private placement. The Senior 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. At December 31, 2007, OVEC had \$426 million outstanding related to the Senior 2006 Notes. Interest expense related to the Senior 2006 Notes was \$25.0 million in 2007 and \$24.2 million in 2006.

During 2007, OVEC issued \$300 million unsecured senior notes ("Senior 2007 Notes") in private placements in three tranches. The \$200 million Tranche A notes were issued in June 2007, the \$50 million Tranche B notes were issued in September 2007, and the \$50 million Tranche C notes were issued in December 2007. The Senior 2007 Notes bear an annual fixed interest rate of 5.90% payable semiannually on June 15 and December 15 of each year, until maturity on February 15, 2026. At December 31, 2007, OVEC had \$296.6 million outstanding related to the Senior 2007 Notes. Interest expense related to the Senior 2007 Notes was \$8.2 million in 2007.

Debt maturities on the Senior 2006 Notes and Senior 2007 Notes at December 31, 2007, are as follows:

Years Ending December 31,	Senior 2006 Notes	Senior 2007 Notes
2008	\$ 13,345,480	\$ 9,463,928
2009	14,130,741	10,033,213
2010	14,962,206	10,633,904
2011	15,842,599	11,270,558
2012	16,774,794	11,945,329
2013-2026	<u>351,303,535</u>	<u>243,255,116</u>
Total	<u>\$ 426,359,355</u>	<u>\$ 296,602,048</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 consolidating balance sheets consist primarily of the net deferred taxes on depreciation differences, postretirement benefits obligation, net operating loss carryforwards, asset retirement obligations, regulatory assets, and regulatory liabilities.

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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 \$41,940,831 at December 31, 2007, and \$43,940,349 at December 31, 2006.

A reconciliation of the federal statutory rate to taxes on income for the years ended December 31, 2007 and 2006, is as follows:

	2007	2006
Tax expense at statutory rate	\$2,106,566	\$1,814,718
Temporary differences flowed through to customer bills	(1,240,208)	(694,950)
Permanent differences	<u>11,022</u>	<u>39,382</u>
Federal income tax expense	<u>\$ 877,380</u>	<u>\$1,159,150</u>
Effective tax rate	14.6 %	22.1 %

Federal income tax expense for the years ended December 31, 2007 and 2006, consists of the following:

	2007	2006
Federal income tax currently payable	\$ 95,000	\$ -
Deferred income taxes:		
Depreciation and other plant-related items	3,421,805	7,222,504
Post retirement benefit expense	(493,702)	(333,835)
Net operating loss carry over	1,559,173	(3,478,939)
Asset retirement obligations	(1,189,494)	(952,875)
Temporary differences flowed through to customer bills	(1,240,208)	(694,950)
Fuel related settlement	(817,481)	
Other — net	(457,713)	(602,755)
Total federal income tax expense	<u>\$ 877,380</u>	<u>\$ 1,159,150</u>

For federal income tax purposes, OVEC has alternative minimum tax credit carryforwards of approximately \$1.4 million, which are not limited by expiration dates, and net operating tax loss carryforwards of approximately \$63.8 million, which begin to expire in 2025. Management periodically assesses the need for a valuation allowance on deferred tax assets. As of December 31, 2007 and 2006, 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 "Pension 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 Pension Plan after five years of service with the Companies.

Funding for the Pension 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

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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 consolidating financial statements. The allocated amounts represent approximately a 54% and 46% split and a 53% and 47% split for OVEC and IKEC, respectively, as of December 31, 2007 and 2006. The Pension Plan's assets consist of an insurance contract, and investments in equity and debt securities. In the following disclosures the insurance contract is treated as a debt security, because its long-term yield is tied to the debt markets.

In addition to the Pension 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 Pension Plan and managing investments. The investment horizon for the Pension Plan and VEBA trusts is greater than five years and the strategic asset allocation is based on a long-term perspective. The Pension Plan portfolio's target asset allocation is 40% equity securities and 60% debt securities. The assets of the VEBA trusts have been invested in debt securities until the Companies finalize their evaluation of their target asset allocation, which is anticipated to be completed during 2008.

The asset allocation for the Pension Plan and VEBA trusts at December 31, 2007 and 2006, by asset category was as follows:

Asset Category	Pension Plan		VEBA Trusts	
	2007	2006	2007	2006
Equity securities	31 %	27 %	- %	- %
Debt securities	69	73	100	100

The following is an estimate of retired employee benefit payments, at December 31, 2007, which reflect future service:

Years Ending December 31,	Pension Plan	Other Postretirement Benefits	
		With Medicare Subsidy	Without Medicare Subsidy
2008	\$ 7,678,435	\$ 3,943,689	\$ 4,248,382
2009	8,063,364	4,311,197	4,655,526
2010	8,485,918	4,785,490	5,163,787
2011	9,214,586	5,169,740	5,580,152
2012	9,609,511	5,499,134	5,943,240

The Companies expect to contribute \$5,100,000 and \$6,100,000 in 2008 to the Pension Plan and other postretirement benefit plans, respectively.

Employer contributions, employee contributions, and distributions to participants for 2007 and 2006 were as follows:

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	Pension Plan		Other Postretirement Benefits	
	2007	2006	2007	2006
	Employer contributions	\$6,000,000	\$6,867,974	\$4,923,161
Employee contributions			585,570	530,415
Distributions to participants	7,499,086	7,162,445	3,279,279	3,070,048

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' employer contributions for other postretirement benefits in the above table are net of subsidies received of \$270,548 and \$279,994 for 2007 and 2006, respectively. The Companies have accounted for the subsidy as a reduction of the benefit obligation detailed in the table below. The benefit obligation was reduced by approximately \$11.3 million as of December 31, 2007 and 2006.

The following table sets forth the amounts recognized in the accompanying consolidating balance sheets as of December 31, 2007 and 2006, utilizing actuarial measurement dates of December 31, 2007 and 2006:

	Pension Plan		Other Postretirement Benefits	
	2007	2006	2007	2006
	Benefit obligation	\$153,972,014	\$161,065,647	\$ 97,431,448
Fair value of plan assets	170,022,263	169,811,906	60,656,532	55,395,876
Funded status	16,050,249	8,746,259	(36,774,916)	(47,145,748)
Unrecognized net (gain) loss		(11,609,405)		10,772,174
Unrecognized prior service cost		2,863,146		(2,659,000)
Pension asset and postretirement benefits obligation	\$ 16,050,249	\$ -	\$ (36,774,916)	\$ (39,032,574)

The accumulated benefit obligation for the Pension Plan was \$131,992,635 and \$136,908,944 at December 31, 2007 and 2006, 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 Pension 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 consolidating balance sheets.

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	Pension Plan		Other Postretirement Benefits	
	2007	2006	2007	2006
	Service cost	\$ 4,221,650	\$ 4,356,085	\$ 3,219,492
Interest cost	9,243,320	8,851,977	5,855,237	6,109,287
Expected return on plan assets	(11,668,332)	(10,865,967)	(2,631,976)	(2,407,019)
Amortization of prior service cost	531,437	937,437	(379,000)	(379,000)
Recognized actuarial loss	<u> </u>	<u> </u>	126,175	1,169,985
Benefit cost	<u>\$ 2,328,075</u>	<u>\$ 3,279,532</u>	<u>\$ 6,189,928</u>	<u>\$ 7,965,271</u>
Pension and other postretirement benefits expense recognized in the consolidating statement of income and retained earnings and billed to Sponsoring Companies under the ICPA	<u>\$ 6,000,000</u>	<u>\$ 6,867,974</u>	<u>\$ 3,219,492</u>	<u>\$ 3,070,048</u>

The weighted-average assumptions used to determine benefit obligations for the years ended December 31, 2007 and 2006, were as follows:

	Pension Plan		Other Postretirement Benefits	
	2007	2006	2007	2006
	Discount rate	6.50 %	5.90 %	6.50 %
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, 2007 and 2006, were as follows:

	Pension Plan		Other Postretirement Benefits	
	2007	2006	2007	2006
	Discount rate	5.90 %	5.60 %	5.90 %
Expected long-term return on plan assets	7.00	7.00	4.70	5.00
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' asset allocation, as well as the target asset allocations for the future, and the expected returns likely to be earned over the life of the Pension 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 consolidating financial statements. The allocated amounts represent approximately a 40% and 60% split between OVEC and IKEC, respectively, as of December 31, 2007, and approximately a 58% and 42%

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split between OVEC and IKEC, respectively, as of December 31, 2006. 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 \$2,222,600 and \$3,222,815 at December 31, 2007 and 2006, respectively.

The Companies have a trustee-defined contribution supplemental pension and savings plan that includes 401(k) 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 2007 and 2006 were \$1,278,249 and \$1,182,408, respectively.

Adoption of SFAS No. 158 – Pension and Other Postretirement Benefits

The Companies adopted SFAS No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans*, effective December 31, 2007. SFAS No. 158 requires employers to fully recognize the obligations associated with defined benefit pension plans and other postretirement plans, which include retiree healthcare, in their balance sheets. Previous standards required an employer to disclose the complete funded status of its plan only in the notes to the financial statements and provided that an employer delay recognition of certain changes in plan assets and obligations that affected the costs of providing benefits resulting in an asset or liability that often differed from the plan's funded status. SFAS No. 158 requires a defined benefit pension or postretirement plan sponsor to recognize in its statement of financial position an asset for a plan's overfunded status or a liability for the plan's underfunded status. The effects of the Companies' adoption of SFAS No. 158 were as follows:

	Before Application		After Application
	of		of
	SFAS No. 158	Adjustments	SFAS No. 158
Pension asset	<u>\$ 3,671,925</u>	<u>\$ 12,378,324</u>	<u>\$ 16,050,249</u>
Postretirement benefits obligation	<u>\$ (40,299,341)</u>	<u>\$ 3,524,425</u>	<u>\$ (36,774,916)</u>

The adjustments detailed in the above table represent the unrecognized actuarial gains and unrecognized prior service cost for the plans as of December 31, 2007. These amounts were recorded as additions to regulatory liabilities that will be credited to customers' bills in future periods (see Note 1).

7. ENVIRONMENTAL MATTERS

Title IV of the 1990 Clean Air Act Amendments required the Companies to reduce sulfur dioxide ("SO₂") 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 SO₂ 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, 2007 and 2006, was \$11,787,964 and \$34,062,986, respectively.

Title IV of the 1990 Clean Air Act Amendments also required the Companies to comply with a nitrogen oxides ("NO_x") 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

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approximately \$8.2 million.

During 2002 and 2003, Ohio and Indiana finalized respective NO_x State Implementation Plan ("SIP") Call regulations that required further significant NO_x 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 SCR systems 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 SO₂ and NO_x 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_x; 2010 and 2015 for SO₂; and 2010 and 2018 for mercury. Ohio and Indiana also subsequently finalized their respective versions of CAIR and CAMR. In response, the Companies determined that it would be necessary to install flue gas desulfurization ("FGD") systems at both plants to comply with these new rules and have since been conducting the necessary engineering, permitting, and construction to install these new FGD systems. The cost of the new FGD systems and the associated landfills is estimated not to exceed \$1.2 billion.

In addition, a recent decision by the D. C. Circuit Court of Appeals has essentially vacated the federal CAMR. The Utilities have requested that the court rehear the case. However, if the court declines this request for rehearing, U.S. EPA will be required to start over and issue a new mercury emission reduction rule under Section 112 of the Clean Air Act. This new mercury emission reduction rule will be more stringent than CAMR and will still require installation of the new FGD systems at the plants.

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 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. The fair values of the Senior 2006 Notes and Senior 2007 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 Senior 2006 Notes and Senior 2007 Notes as of December 31, 2007 and 2006, are as follows:

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	2007	2006
Senior 2006 Notes		
Fair value	\$420,070,000	\$438,960,000
Recorded value	426,359,355	438,963,211
Senior 2007 Notes		
Fair value	\$288,450,000	N/A
Recorded value	296,602,048	N/A

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 the IKEC generating stations. OVEC has railcar lease agreements that extend as long as December 31, 2025, with options to exit the leases under certain conditions.

Future minimum lease payments for operating leases at December 31, 2007, are as follows:

Years Ending December 31,	
2008	\$ 4,789,219
2009	4,782,979
2010	4,814,179
2011	3,365,326
2012	3,270,768
Thereafter	<u>29,195,469</u>
Total future minimum lease payments	\$50,217,940

The annual lease cost incurred was \$4,767,379 and \$4,739,450 for 2007 and 2006, 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

In July 2006, the Financial Accounting Standards Board ("FASB") issued Interpretation No. 48, *Accounting for Uncertainty in Income Taxes – An Interpretation of FASB Statement No. 109* ("FIN No. 48"), which clarifies the accounting for uncertainty in income taxes recognized in an enterprise's consolidating financial statements in accordance with SFAS No. 109. FIN No. 48 also prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. In addition, FIN No. 48 provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. FIN No. 48 is effective for the Companies for the reporting period

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Ohio Valley Electric Corporation	(1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	(Mo, Da, Yr) 05/18/2008	2007/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

beginning January 1, 2008. The Companies are currently evaluating the impact of adopting FIN No. 48.

In September 2006, the FASB issued SFAS No. 157, *Fair Value Measurements*, which establishes a framework for measuring fair value and expands disclosures about fair value measurements. The provisions of SFAS No. 157 will be effective for the Companies beginning January 1, 2008. The Companies are in the process of determining the effect, if any, the adoption of SFAS No. 157 will have on its consolidating financial statements.

In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities – including an amendment of FASB Statement No. 115*, which permits entities to measure many financial instruments and certain other items at fair value. The provisions of SFAS No. 159 will be effective for the Companies beginning January 1, 2008. The Companies are in the process of determining the effect, if any, the adoption of SFAS No. 159 will have on its consolidating financial statements.

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) 05/18/2008	Year/Period of Report End of <u>2007/Q4</u>
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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)	581,116,307	581,116,307
4	Property Under Capital Leases		
5	Plant Purchased or Sold		
6	Completed Construction not Classified		
7	Experimental Plant Unclassified		
8	Total (3 thru 7)	581,116,307	581,116,307
9	Leased to Others		
10	Held for Future Use		
11	Construction Work in Progress	214,377,985	214,377,985
12	Acquisition Adjustments		
13	Total Utility Plant (8 thru 12)	795,494,292	795,494,292
14	Accum Prov for Depr, Amort, & Depl	372,034,376	372,034,376
15	Net Utility Plant (13 less 14)	423,459,916	423,459,916
16	Detail of Accum Prov for Depr, Amort & Depl		
17	In Service:		
18	Depreciation	372,034,376	372,034,376
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)	372,034,376	372,034,376
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)	372,034,376	372,034,376

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) 05/18/2008	Year/Period of Report End of <u>2007/Q4</u>
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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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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) 05/18/2008	Year/Period of Report End of <u>2007/Q4</u>
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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	55,711,811	4,030,586
10	(312) Boiler Plant Equipment	375,128,385	749,473
11	(313) Engines and Engine-Driven Generators		
12	(314) Turbogenerator Units	62,958,313	5,420
13	(315) Accessory Electric Equipment	17,161,413	
14	(316) Misc. Power Plant Equipment	10,548,035	418,919
15	(317) Asset Retirement Costs for Steam Production		
16	TOTAL Steam Production Plant (Enter Total of lines 8 thru 15)	521,977,081	5,204,398
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)	521,977,081	5,204,398

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) 05/18/2008	Year/Period of Report End of <u>2007/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
40,610			59,701,787	9
26,718			375,851,140	10
				11
3,243			62,960,490	12
			17,161,413	13
104,177			10,862,777	14
				15
174,748			527,006,731	16
				17
				18
				19
				20
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174,748			527,006,731	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) 05/18/2008	Year/Period of Report End of <u>2007/Q4</u>
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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	732,879	5,290
50	(353) Station Equipment	19,269,098	439,812
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)	47,313,564	445,102
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	1,421,271	100,357
88	(391) Office Furniture and Equipment	2,081,673	321,886
89	(392) Transportation Equipment	879,912	
90	(393) Stores Equipment	590	
91	(394) Tools, Shop and Garage Equipment	418,070	3,684
92	(395) Laboratory Equipment	539,821	6,736
93	(396) Power Operated Equipment		
94	(397) Communication Equipment	2,272,633	
95	(398) Miscellaneous Equipment		
96	SUBTOTAL (Enter Total of lines 86 thru 95)	7,738,732	432,663
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)	7,738,732	432,663
100	TOTAL (Accounts 101 and 106)	577,048,301	6,082,163
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)	577,048,301	6,082,163

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
			738,169	49
1,735,963			17,972,947	50
			12,642,213	51
				52
			12,689,634	53
				54
				55
				56
				57
1,735,963			46,022,703	58
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				84
				85
			124,762	86
14,556			1,507,072	87
77,309			2,326,250	88
11,141			868,771	89
			590	90
440			421,314	91
			546,557	92
				93
			2,272,633	94
				95
103,446			8,067,949	96
				97
				98
103,446			8,067,949	99
2,014,157			581,116,307	100
				101
				102
				103
2,014,157			581,116,307	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) 05/18/2008	Year/Period of Report End of <u>2007/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	Retube Low Pressure Heater	121,897
2	Powder River Basin Conversion - Flood Mitigation	134,496
3	High Pressure Feedwater Heater	180,801
4	3 Air Dryers	368,562
5	Microwave System	697,776
6	Supervisory Control & Data Acquisition Software & Hardware	1,076,694
7	Turbine Rotor Blades	1,358,538
8	2 Fuel Oil Storage Tanks	1,716,357
9	Computer Center	1,756,678
10	Catalyst	4,805,641
11	Flue Gas Desulfurization Landfill Project	6,252,514
12	Flue Gas Desulfurization Project	194,817,327
13	Other Projects less than \$100,000	1,090,704
14		
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43	TOTAL	214,377,985

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) 05/18/2008	Year/Period of Report End of <u>2007/Q4</u>
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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	362,739,153	362,739,153		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	9,131,505	9,131,505		
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)	9,131,505	9,131,505		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	2,010,798	2,010,798		
13	Cost of Removal	23,501	23,501		
14	Salvage (Credit)	17,154	17,154		
15	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 12 thru 14)	2,017,145	2,017,145		
16	Other Debit or Cr. Items (Describe, details in footnote):				
17	Change in RWIP, Deferred Depreciation	2,180,863	2,180,863		
18	Book Cost or Asset Retirement Costs Retired				
19	Balance End of Year (Enter Totals of lines 1, 10, 15, 16, and 18)	372,034,376	372,034,376		

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

20	Steam Production	336,215,346	336,215,346		
21	Nuclear Production				
22	Hydraulic Production-Conventional				
23	Hydraulic Production-Pumped Storage				
24	Other Production				
25	Transmission	30,596,961	30,596,961		
26	Distribution				
27	Regional Transmission and Market Operation				
28	General	5,222,069	5,222,069		
29	TOTAL (Enter Total of lines 20 thru 28)	372,034,376	372,034,376		

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) 05/18/2008	Year/Period of Report End of 2007/Q4
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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	2,500 shares	01/16/53		500,000
6	2,000 shares	03/06/53		400,000
7	2,000 shares	04/14/53		400,000
8	2,500 shares	05/20/53		500,000
9	2,000 shares	06/30/53		400,000
10	5,000 shares	07/17/53		1,000,000
11				
12				
13	Advances to Subsidiary Company-			
14	Selective Catalytic Converter Open Account	12/31/02	03/12/26	156,183,158
15				
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41				
42	Total Cost of Account 123.1 \$	151,469,747	TOTAL	159,583,158

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) 05/18/2008	Year/Period of Report End of <u>2007/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
				11
				12
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		148,069,747		14
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		151,469,747		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) 05/18/2008	Year/Period of Report End of <u>2007/Q4</u>
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MATERIALS AND SUPPLIES

1. 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.
2. 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)	17,558,658	30,151,099	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)	7,482,748	8,089,678	Electric
8	Transmission Plant (Estimated)	215,016	209,450	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)	7,697,764	8,299,128	
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)		1,761	Electric
17				
18				
19				
20	TOTAL Materials and Supplies (Per Balance Sheet)	25,256,422	38,451,988	

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) 05/18/2008	Year/Period of Report End of 2007/Q4
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Allowances (Accounts 158.1 and 158.2)

- Report below the particulars (details) called for concerning allowances.
- Report all acquisitions of allowances at cost.
- 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.
- 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).
- 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		2008	
		No. (b)	Amt. (c)	No. (d)	Amt. (e)
1	Balance-Beginning of Year	95,716.00	34,062,986		
2					
3	Acquired During Year:				
4	Issued (Less Withheld Allow)	41,111.00		40,927.00	
5	Returned by EPA	539.00		334.00	
6					
7					
8	Purchases/Transfers:				
9	Purchase Transactions	1,000.00	450,000		
10					
11					
12					
13					
14					
15	Total	1,000.00	450,000		
16					
17	Relinquished During Year:				
18	Charges to Account 509	58,719.00	10,498,911		
19	Other:				
20					
21	Cost of Sales/Transfers:				
22	SO2 transfers to IKEC	16,396.00	12,226,111		
23	NOx sold	400.00			
24	Balance adjustment	438.00			
25					
26					
27					
28	Total	17,234.00	12,226,111		
29	Balance-End of Year	62,413.00	11,787,964	41,261.00	
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)	966.00	317,220		
45	Gains				
46	Losses				

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) 05/18/2008	Year/Period of Report End of <u>2007/Q4</u>
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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.

2009		2010		Future Years		Totals		Line No.
No. (f)	Amt. (g)	No. (h)	Amt. (i)	No. (j)	Amt. (k)	No. (l)	Amt. (m)	
						95,716.00	34,062,986	1
								2
								3
46,199.00		46,199.00		728,258.00		902,694.00		4
334.00		142.00		2,556.00		3,905.00		5
								6
								7
								8
						1,000.00	450,000	9
								10
								11
								12
								13
								14
						1,000.00	450,000	15
								16
								17
						58,719.00	10,498,911	18
								19
								20
								21
						16,396.00	12,226,111	22
						400.00		23
						438.00		24
								25
								26
								27
						17,234.00	12,226,111	28
46,533.00		46,341.00		730,814.00		927,362.00	11,787,964	29
								30
								31
								32
								33
								34
								35
						113.00		36
566.00		565.00		18,645.00		20,908.00		37
								38
				565.00		1,131.00		39
566.00		565.00		18,080.00		19,890.00		40
								41
								42
								43
				565.00	109,739	1,531.00	426,959	44
								45
								46

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 Postemployment Benefit Exp.					
2	per SFAS 112	1,869,278		253-20	979,725	889,553
3						
4	Federal income tax resulting from the					
5	difference between book and tax					
6	depreciation created by antitrust					
7	settlement refunds for the years 1965					
8	through 1969	556,459				556,459
9						
10	Deferred Depreciation	22,264,835	12,501,394	403	10,321,269	24,444,960
11						
12	Asset Retirement Costs	3,316,838	554,201	557-100	1,148,268	2,722,771
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
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30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44	TOTAL	28,007,410	13,055,595		12,449,262	28,613,743

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	254,081		232	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		71			71
8						
9	Deferred Debit - Other		6,866			6,866
10						
11	Unrecognized Pension Expense					
12	per SFAS 87		8,623,799			8,623,799
13						
14						
15						
16						
17						
18						
19						
20						
21						
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40						
41						
42						
43						
44						
45						
46						
47	Misc. Work in Progress					
48	Deferred Regulatory Comm. Expenses (See pages 350 - 351)					
49	TOTAL	256,744				8,633,399

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) 05/18/2008	Year/Period of Report End of <u>2007/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	29,916,932
5	Future FIT benefits, per SFAS 109	6,308,441	9,501,257
6			
7	Other		
8	TOTAL Electric (Enter Total of lines 2 thru 7)	39,099,938	39,418,189
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)	39,099,938	39,418,189

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) 05/18/2008	Year/Period of Report End of <u>2007/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				
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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.
Shares (e)	Amount (f)	AS REACQUIRED STOCK (Account 217)		IN SINKING AND OTHER FUNDS		
		Shares (g)	Cost (h)	Shares (i)	Amount (j)	
100,000	10,000,000					1
						2
						3
						4
						5
						6
						7
						8
						9
						10
						11
						12
						13
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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) 05/18/2008	Year/Period of Report End of 2007/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 2006	445,000,000	4,249,047
10			
11	Unsecured Senior Notes 2007	300,000,000	2,431,279
12			
13	Line of Credit Borrowings-Long Term	50,000,000	582,737
14			
15	SUBTOTAL	795,000,000	7,263,063
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33	TOTAL	795,000,000	7,263,063

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) 05/18/2008	Year/Period of Report End of <u>2007/Q4</u>
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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	426,359,355	24,975,128	9
						10
6/15/07	2/15/26	6/15/07	2/15/26	296,602,048	8,230,057	11
						12
8/05/05	8/04/10	NA	NA		3,051,247	13
						14
				722,961,403	36,256,432	15
						16
						17
						18
						19
						20
						21
						22
						23
						24
						25
						26
						27
						28
						29
						30
						31
						32
				722,961,403	36,256,432	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) 05/18/2008	Year/Period of Report 2007/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 06-1196-EL-AIS and 07-1105-EL-AIS.

Schedule Page: 256 Line No.: 13 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) 05/18/2008	Year/Period of Report End of <u>2007/Q4</u>
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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)	5,141,381
2		
3		
4	Taxable Income Not Reported on Books	
5		
6		
7		
8		
9	Deductions Recorded on Books Not Deducted for Return	
10		86,856,204
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		-89,490,785
21		
22		
23		
24		
25		
26		
27	Federal Tax Net Income	2,506,800
28	Show Computation of Tax:	
29		
30	Federal Taxable Net Income	2,506,800
31	Tax Rate	35
32	Federal Income Tax	877,380
33		
34		
35	2007 Federal Income Tax expense per books (709, 410, 411)	877,380
36		
37		
38		
39		
40		
41		
42		
43		
44		

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) 05/18/2008	Year/Period of Report 2007/Q4
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FOOTNOTE DATA

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

Federal income tax	877,380
Advances for construction	26,883,382
Employment taxes	452,902
Accrued vacation	2,870,024
Nondeductible property tax deduction	1,145,349
Business meals	23,655
Capitalized interest	8,637,395
Penalties-correction for prior year	1,192
Lobby expense	6,644
Book depreciation	31,720,198
Capitalized expenses	3,218,950
Prior year prepaid deductions	1,572,478
Postretirement billing	3,201,283
Charitable contributions	30,820
Postretirement benefit expense (interest)	2,777,142
Retirement work	38,854
NOL adjustments	3,398,556
	<u>86,856,204</u>

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

Employment taxes	(433,506)
Reversal of accrued vacation	(2,856,477)
Reversal of nondeductible property tax deduction	(1,177,881)
Tax depreciation	(60,782,302)
Accrued deductible prepaids	(1,584,151)
Postretirement benefit expense	(4,585,838)
Loss on sale of assets	(646,977)
Retirement work	(2,059,764)
Construction closing recorded as revenue	(16,295,201)
Miscellaneous adjustments	931,312
	<u>(89,490,785)</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) 05/18/2008	Year/Period of Report End of 2007/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	213,235		2,049,487	2,036,532	
3	Unemployment	14,630		22,965	22,740	
4	Income Tax	-681		94,231	-681	
5	Excise Tax			6,865	6,865	
6	Heavy Highway Vehicle Use			1,100	1,100	
7	SUBTOTAL	227,184		2,174,648	2,066,556	
8						
9	OHIO:					
10	Unemployment	7,315		16,478	14,510	
11	SUBTOTAL	7,315		16,478	14,510	
12	Franchise Tax					
13	2003	-170		28,895	28,725	
14	2004	-108,681		-34	-108,715	
15	2006			1,000		
16	2007	1,000			1,000	
17	SUBTOTAL	-107,851		29,861	-78,990	
18	Commercial Activity Tax					
19	--2006	87,170			87,170	
20	--2007			491,667	358,155	
21	SUBTOTAL	87,170		491,667	445,325	
22	Property Tax					
23	--2006	1,964,413		18,759	1,983,172	
24	--2007	1,972,800		255,138		
25	--2008			2,227,920		
26	SUBTOTAL	3,937,213		2,501,817	1,983,172	
27	KENTUCKY:					
28	Property Tax					
29	--2005	81			81	
30	--2006	27,433		-87	27,346	
31	--2007			28,113	13,037	
32	SUBTOTAL	27,514		28,026	40,464	
33						
34	Income Tax	175		175	175	
35						
36						
37						
38						
39						
40						
41	TOTAL	4,178,720		5,242,672	4,471,212	

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 (l) 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
226,190		1,884,723			164,764	2
14,855		21,054			1,911	3
94,231		2,504,331			-2,410,100	4
					6,865	5
					1,100	6
335,276		4,410,108			-2,235,460	7
						8
						9
9,283		15,041			1,437	10
9,283		15,041			1,437	11
						12
		28,895				13
		-34				14
1,000		1,000				15
						16
1,000		29,861				17
						18
						19
133,512		491,667				20
133,512		491,667				21
						22
		18,759				23
2,227,938		2,227,938			-1,972,800	24
2,227,920					2,227,920	25
4,455,858		2,246,697			255,120	26
						27
						28
						29
		-87				30
15,076		28,113				31
15,076		28,026				32
						33
175		175				34
						35
						36
						37
						38
						39
						40
4,950,180		7,221,575			-1,978,903	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) 05/18/2008	2007/Q4
FOOTNOTE DATA			

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

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

Schedule Page: 262 Line No.: 4 Column: 1

Charged to Accounts 190, 254, 410, and 411.

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, and 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.

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							
18							
19							
20							
21							
22							
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39							
40							
41							
42							
43							
44							
45							
46							
47							
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
			11
			12
			13
			14
			15
			16
			17
			18
			19
			20
			21
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			44
			45
			46
			47
			48

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) 05/18/2008	Year/Period of Report End of <u>2007/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	1,869,278	182-30	979,725		889,553
3						
4	Postretirement Benefit					
5	Obligations, per SFAS 106	20,309,751		1,073,419		19,236,332
6						
7	Asset Retirement Obligations	9,236,687			554,201	9,790,888
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
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21						
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32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						
47	TOTAL	31,415,716		2,053,144	554,201	29,916,773

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) 05/18/2008	Year/Period of Report End of 2007/Q4
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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				8,207,788	8,207,788
2						
3	Def. Cr.- DOE Settlement Postretirement	33,798,528			8,701,472	42,500,000
4						
5	Def. Cr.- Estimated FAS 106 Expense				14,004,961	14,004,961
6						
7	Antitrust Settlements Pending					
8	Final Disposition	1,229,529				1,229,529
9						
10	Federal Income Tax Benefits					
11	per SFAS 109	36,515,895	409-10, 190-10	6,536,284	7,637,684	37,617,295
12						
13	Def. Cr.- SO2 Allowances				361,959	361,959
14						
15	Def. Cr.-NOx Allowances				65,000	65,000
16						
17	Advance collection of interest	1,060,828			824,074	1,884,902
18						
19	Unrecognized Pension Expense					
20	per SFAS 87				8,623,799	8,623,799
21						
22	Other postretirement benefits		182-30	45,765,121		-45,765,121
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41	TOTAL	72,604,780		52,301,405	48,426,737	68,730,112

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) 05/18/2008	Year/Period of Report End of <u>2007/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)	14,605,075	15,444,722
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	14,605,075	15,444,722
11	(447) Sales for Resale	516,757,146	508,168,601
12	TOTAL Sales of Electricity	531,362,221	523,613,323
13	(Less) (449.1) Provision for Rate Refunds		
14	TOTAL Revenues Net of Prov. for Refunds	531,362,221	523,613,323
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
20	(455) Interdepartmental Rents		
21	(456) Other Electric Revenues		
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
27	TOTAL Electric Operating Revenues	531,362,221	523,913,383

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) 05/18/2008	Year/Period of Report End of <u>2007/Q4</u>
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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
256,613	246,371	1	1	5
				6
				7
				8
				9
256,613	246,371	1	1	10
14,918,727	16,226,777	12	12	11
15,175,340	16,473,148	13	13	12
				13
15,175,340	16,473,148	13	13	14

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

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)	256,613	14,605,075	1	256,613,000	0.0569
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
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25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41	TOTAL Billed	256,613	14,605,075	1	256,613,000	0.0569
42	Total Unbilled Rev.(See Instr. 6)	0	0	0	0	0.0000
43	TOTAL	256,613	14,605,075	1	256,613,000	0.0569

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) 05/18/2008	Year/Period of Report End of 2007/Q4
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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	NOTE 1					
2	American Electric Power Eastern Op. Co.	OS	FPC1-B	NA	NA	NA
3	Appalachian Power Company	OS	FPC1-B	NA	NA	NA
4	Buckeye Power Generating, LLC	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
	Total			0	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) 05/18/2008	Year/Period of Report End of 2007/Q4
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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
	Total			0	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) 05/18/2008	Year/Period of Report End of 2007/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
752,799	13,187,071	16,005,577		29,192,648	2
2,297,300	35,592,777	46,263,684		81,856,461	3
571,200	7,229,436	10,664,077		17,893,513	4
1,358,424	20,416,507	27,379,889		47,796,396	5
650,373	10,072,144	13,098,861		23,171,005	6
760,729	11,115,654	15,374,772		26,490,426	7
3,122,233	46,504,266	62,975,428		109,479,694	8
1,149,150	17,807,731	23,141,234		40,948,965	9
368,911	5,671,252	7,427,274		13,098,526	10
830,797	12,771,659	16,729,267		29,500,926	11
558,350	7,939,753	11,280,921		19,220,674	12
2,267,457	35,139,077	45,664,942		80,804,019	13
231,004	3,402,751	4,660,348		8,063,099	14
0	0	0	0	0	
14,918,727	216,090,872	300,666,274	0	516,757,146	
14,918,727	216,090,872	300,666,274	0	516,757,146	

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) 05/18/2008	Year/Period of Report End of 2007/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, iine 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)		
	-10,759,206			-10,759,206	1
					2
					3
					4
					5
					6
					7
					8
					9
					10
					11
					12
					13
					14
0	0	0	0	0	
14,918,727	216,090,872	300,666,274	0	516,757,146	
14,918,727	216,090,872	300,666,274	0	516,757,146	

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) 05/18/2008	Year/Period of Report 2007/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) 05/18/2008	Year/Period of Report End of 2007/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	1. POWER PRODUCTION EXPENSES		
2	A. Steam Power Generation		
3	Operation		
4	(500) Operation Supervision and Engineering	1,350,806	1,370,918
5	(501) Fuel	128,223,763	131,846,722
6	(502) Steam Expenses	4,870,069	4,375,514
7	(503) Steam from Other Sources		
8	(Less) (504) Steam Transferred-Cr.		
9	(505) Electric Expenses	2,616,345	2,419,168
10	(506) Miscellaneous Steam Power Expenses	7,688,927	6,743,713
11	(507) Rents		
12	(509) Allowances	10,498,911	19,121,626
13	TOTAL Operation (Enter Total of Lines 4 thru 12)	155,248,821	165,877,661
14	Maintenance		
15	(510) Maintenance Supervision and Engineering	560,810	563,107
16	(511) Maintenance of Structures	2,052,238	1,513,841
17	(512) Maintenance of Boiler Plant	24,390,456	15,563,617
18	(513) Maintenance of Electric Plant	4,023,597	4,050,676
19	(514) Maintenance of Miscellaneous Steam Plant	482,808	568,725
20	TOTAL Maintenance (Enter Total of Lines 15 thru 19)	31,509,909	22,259,966
21	TOTAL Power Production Expenses-Steam Power (Entr Tot lines 13 & 20)	186,758,730	188,137,627
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="checked" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 05/18/2008	Year/Period of Report End of 2007/Q4
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)	
60	D. Other Power Generation			
61	Operation			
62	(546) Operation Supervision and Engineering			
63	(547) Fuel			
64	(548) Generation Expenses			
65	(549) Miscellaneous Other Power Generation Expenses			
66	(550) Rents			
67	TOTAL Operation (Enter Total of lines 62 thru 66)			
68	Maintenance			
69	(551) Maintenance Supervision and Engineering			
70	(552) Maintenance of Structures			
71	(553) Maintenance of Generating and Electric Plant			
72	(554) Maintenance of Miscellaneous Other Power Generation Plant			
73	TOTAL Maintenance (Enter Total of lines 69 thru 72)			
74	TOTAL Power Production Expenses-Other Power (Enter Tot of 67 & 73)			
75	E. Other Power Supply Expenses			
76	(555) Purchased Power	268,176,318	260,807,544	
77	(556) System Control and Load Dispatching			
78	(557) Other Expenses	1,148,268	919,849	
79	TOTAL Other Power Supply Exp (Enter Total of lines 76 thru 78)	269,324,586	261,727,393	
80	TOTAL Power Production Expenses (Total of lines 21, 41, 59, 74 & 79)	456,083,316	449,865,020	
81	2. TRANSMISSION EXPENSES			
82	Operation			
83	(560) Operation Supervision and Engineering	437,238	398,768	
84	(561) Load Dispatching	718,612	664,705	
85	(561.1) Load Dispatch-Reliability			
86	(561.2) Load Dispatch-Monitor and Operate Transmission System			
87	(561.3) Load Dispatch-Transmission Service and Scheduling			
88	(561.4) Scheduling, System Control and Dispatch Services			
89	(561.5) Reliability, Planning and Standards Development			
90	(561.6) Transmission Service Studies			
91	(561.7) Generation Interconnection Studies			
92	(561.8) Reliability, Planning and Standards Development Services			
93	(562) Station Expenses	904,713	834,005	
94	(563) Overhead Lines Expenses	308,322	312,018	
95	(564) Underground Lines Expenses			
96	(565) Transmission of Electricity by Others			
97	(566) Miscellaneous Transmission Expenses	97,666	95,054	
98	(567) Rents			
99	TOTAL Operation (Enter Total of lines 83 thru 98)	2,466,551	2,304,550	
100	Maintenance			
101	(568) Maintenance Supervision and Engineering	94,410	89,888	
102	(569) Maintenance of Structures	39,452	28,158	
103	(569.1) Maintenance of Computer Hardware			
104	(569.2) Maintenance of Computer Software			
105	(569.3) Maintenance of Communication Equipment			
106	(569.4) Maintenance of Miscellaneous Regional Transmission Plant			
107	(570) Maintenance of Station Equipment	470,867	360,427	
108	(571) Maintenance of Overhead Lines	73,990	408,922	
109	(572) Maintenance of Underground Lines			
110	(573) Maintenance of Miscellaneous Transmission Plant	70,972	73,029	
111	TOTAL Maintenance (Total of lines 101 thru 110)	749,691	960,424	
112	TOTAL Transmission Expenses (Total of lines 99 and 111)	3,216,242	3,264,974	

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) 05/18/2008	Year/Period of Report End of 2007/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	3. REGIONAL MARKET EXPENSES		
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	4. DISTRIBUTION EXPENSES		
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	5. CUSTOMER ACCOUNTS EXPENSES		
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) 05/18/2008	Year/Period of Report End of 2007/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	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
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	7. SALES EXPENSES		
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	8. ADMINISTRATIVE AND GENERAL EXPENSES		
180	Operation		
181	(920) Administrative and General Salaries	3,335,697	3,274,802
182	(921) Office Supplies and Expenses	537,041	599,170
183	(Less) (922) Administrative Expenses Transferred-Credit	26,945	70,367
184	(923) Outside Services Employed	2,106,973	3,088,597
185	(924) Property Insurance	685,046	638,964
186	(925) Injuries and Damages	543,658	591,731
187	(926) Employee Pensions and Benefits	12,012,715	11,880,590
188	(927) Franchise Requirements		
189	(928) Regulatory Commission Expenses	770,599	744,434
190	(929) (Less) Duplicate Charges-Cr.		
191	(930.1) General Advertising Expenses		
192	(930.2) Miscellaneous General Expenses	573,384	547,602
193	(931) Rents		17,600
194	TOTAL Operation (Enter Total of lines 181 thru 193)	20,538,168	21,313,123
195	Maintenance		
196	(935) Maintenance of General Plant	69,537	37,035
197	TOTAL Administrative & General Expenses (Total of lines 194 and 196)	20,607,705	21,350,158
198	TOTAL Elec Op and Maint Expns (Total 80,112,131,156,164,171,178,197)	479,907,263	474,480,152

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) 05/18/2008	Year/Period of Report End of 2007/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						
	Total					

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) 05/18/2008	Year/Period of Report End of 2007/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
8,255,454					254,069,947	254,069,947	2
							3
51,336					1,352,250	1,352,250	4
							5
245,473					12,754,121	12,754,121	6
							7
							8
							9
							10
							11
							12
							13
							14
8,552,263					268,176,318	268,176,318	

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	05/18/2008	2007/Q4
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) 05/18/2008	Year/Period of Report End of 2007/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	16,721
6	American Electric Power - Electricity Service	48,930
7	American Express - Credit Service	6,298
8	AT&T - Phone Service	5,939
9	Cintas Corp - Cleaning Service	9,946
10	EUCG, INC. - Membership Fee	7,000
11	Gordon Flesch Co. - Printing Service	5,174
12	Keybank - Bank Fees	360,218
13	Moody's - Investors Service	26,000
14	Pitney Bowes - Postage	39,426
15	Professional Maintenance - Cleaning Service	5,839
16	Sprint PCS - Phone Service	7,768
17	United Parcel Services - Shipping Service	5,087
18	USEC - Water Usage	5,198
19	Verizon North - Phone Service	23,840
20		
21		
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24		
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27		
28		
29		
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41		
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43		
44		
45		
46	TOTAL	573,384

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) 05/18/2008	Year/Period of Report End of <u>2007/Q4</u>
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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	9,131,505				9,131,505
12	TOTAL	9,131,505				9,131,505

B. Basis for Amortization Charges

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							
15							
16							
17							
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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) 05/18/2008	Year/Period of Report End of 2007/Q4
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REGULATORY COMMISSION EXPENSES

1. 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.
2. 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	741,998		741,998	
4					
5	Section 4905.10 Ohio Revised Code				
6	Assessment for maintenance of the				
7	Public Utilities Commission of Ohio	22,099		22,099	
8					
9	Section 4911.18 Ohio Revised Code				
10	Assessment for maintenance of the				
11	Office of the Consumers' Counsel of Ohio	5,652		5,652	
12					
13	Miscellaneous charge	850		850	
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
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36					
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42					
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44					
45					
46	TOTAL	770,599		770,599	

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) 05/18/2008	Year/Period of Report End of <u>2007/Q4</u>
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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	741,998					3
							4
							5
							6
Electric	928	22,099					7
							8
							9
							10
Electric	928	5,652					11
							12
Electric	928	850					13
							14
							15
							16
							17
							18
							19
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		770,599					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) 05/18/2008	Year/Period of Report End of <u>2007/Q4</u>
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RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES

1. 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).
2. Indicate in column (a) the applicable classification, as shown below:

Classifications:

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

Line No.	Classification (a)	Description (b)
1	A - (5)	Ohio River Ecological Research Program
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3		
4		
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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) 05/18/2008	Year/Period of Report End of <u>2007/Q4</u>
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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)		
32,856		923.3	32,856		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) 05/18/2008	Year/Period of Report End of <u>2007/Q4</u>
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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	12,401,926		
4	Transmission	1,677,193		
5	Regional Market			
6	Distribution			
7	Customer Accounts			
8	Customer Service and Informational			
9	Sales			
10	Administrative and General	3,336,530		
11	TOTAL Operation (Enter Total of lines 3 thru 10)	17,415,649		
12	Maintenance			
13	Production	9,628,296		
14	Transmission	670,688		
15	Regional Market			
16	Distribution			
17	Administrative and General			
18	TOTAL Maintenance (Total of lines 13 thru 17)	10,298,984		
19	Total Operation and Maintenance			
20	Production (Enter Total of lines 3 and 13)	22,030,222		
21	Transmission (Enter Total of lines 4 and 14)	2,347,881		
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)	3,336,530		
28	TOTAL Oper. and Maint. (Total of lines 20 thru 27)	27,714,633		27,714,633
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			

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) 05/18/2008	Year/Period of Report End of <u>2007/Q4</u>
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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 Terminating 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)	27,714,633		27,714,633
66	Utility Plant			
67	Construction (By Utility Departments)			
68	Electric Plant	117,972		117,972
69	Gas Plant			
70	Other (provide details in footnote):			
71	TOTAL Construction (Total of lines 68 thru 70)	117,972		117,972
72	Plant Removal (By Utility Departments)			
73	Electric Plant	2,328		2,328
74	Gas Plant			
75	Other (provide details in footnote):			
76	TOTAL Plant Removal (Total of lines 73 thru 75)	2,328		2,328
77	Other Accounts (Specify, provide details in footnote):	1,046		1,046
78				
79				
80				
81				
82				
83				
84				
85				
86				
87				
88				
89				
90				
91				
92				
93				
94				
95	TOTAL Other Accounts	1,046		1,046
96	TOTAL SALARIES AND WAGES	27,835,979		27,835,979

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	05/18/2008	2007/Q4
FOOTNOTE DATA			

Schedule Page: 354 Line No.: 77 Column: b
Account 186.10

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) 05/18/2008	Year/Period of Report End of <u>2007/Q4</u>
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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	102	21	8			2,256		571	
2	February	123	13	17			2,256		596	
3	March	94	1	17			2,256		499	
4	Total for Quarter 1	319					6,768		1,666	
5	April	82	14	8			2,256		469	
6	May	73	16	7			2,256		600	
7	June	83	17	7			2,256		526	
8	Total for Quarter 2	238					6,768		1,595	
9	July	74	27	20			2,725		510	
10	August	86	16	20			2,256		668	
11	September	85	27	9			2,256		774	
12	Total for Quarter 3	245					7,237		1,952	
13	October	89	23	6			2,725		42	
14	November	90	26	6			2,725		145	
15	December	131	5	6			2,725			
16	Total for Quarter 4	310					8,175		187	
17	Total Year to Date/Year	1,112					28,948		5,400	

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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 company basis.

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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	SOURCES OF ENERGY		21	DISPOSITION OF ENERGY	
2	Generation (Excluding Station Use):		22	Sales to Ultimate Consumers (Including Interdepartmental Sales)	256,613
3	Steam	6,810,498	23	Requirements Sales for Resale (See instruction 4, page 311.)	
4	Nuclear		24	Non-Requirements Sales for Resale (See instruction 4, page 311.)	14,918,727
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	187,421
8	Less Energy for Pumping		28	TOTAL (Enter Total of Lines 22 Through 27) (MUST EQUAL LINE 20)	15,362,761
9	Net Generation (Enter Total of lines 3 through 8)	6,810,498			
10	Purchases	8,552,263			
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	TOTAL (Enter Total of lines 9, 10, 14, 18 and 19)	15,362,761			

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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	1,470,738	1,426,032	991	30	1100
30	February	1,435,106	1,390,464	989	20	2100
31	March	1,323,023	1,283,484	985	1	0700
32	April	1,174,252	1,140,255	938	30	2200
33	May	1,181,025	1,145,283	977	20	1800
34	June	1,302,300	1,267,505	974	27	0900
35	July	1,229,241	1,196,531	974	6	0900
36	August	1,228,075	1,191,619	938	5	2200
37	September	1,231,306	1,196,943	977	17	1400
38	October	1,179,571	1,149,121	989	3	0700
39	November	1,279,085	1,242,922	1,025	19	1000
40	December	1,329,039	1,288,568	1,015	20	2300
41	TOTAL	15,362,761	14,918,727			

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) 05/18/2008	Year/Period of Report End of <u>2007/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 of 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)	1025	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	384	0
12	Net Generation, Exclusive of Plant Use - KWh	6810498000	0
13	Cost of Plant: Land and Land Rights	469124	0
14	Structures and Improvements	59701787	0
15	Equipment Costs	466835820	0
16	Asset Retirement Costs	0	0
17	Total Cost	527006731	0
18	Cost per KW of Installed Capacity (line 17/5) Including	485.1392	0.0000
19	Production Expenses: Oper, Supv, & Engr	1350806	0
20	Fuel	128223763	0
21	Coolants and Water (Nuclear Plants Only)	0	0
22	Steam Expenses	4870069	0
23	Steam From Other Sources	0	0
24	Steam Transferred (Cr)	0	0
25	Electric Expenses	2616345	0
26	Misc Steam (or Nuclear) Power Expenses	7688927	0
27	Rents	0	0
28	Allowances	10498911	0
29	Maintenance Supervision and Engineering	560810	0
30	Maintenance of Structures	2052238	0
31	Maintenance of Boiler (or reactor) Plant	24390456	0
32	Maintenance of Electric Plant	4023597	0
33	Maintenance of Misc Steam (or Nuclear) Plant	482808	0
34	Total Production Expenses	186758730	0
35	Expenses per Net KWh	0.0274	0.0000
36	Fuel: Kind (Coal, Gas, Oil, or Nuclear)	COAL	OIL
37	Unit (Coal-tons/Oil-barrel/Gas-mcf/Nuclear-indicate)	TONS	GALLONS
38	Quantity (Units) of Fuel Burned	3356295	361770
39	Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	10271	136000
40	Avg Cost of Fuel/unit, as Delvd f.o.b. during year	37.749	2.281
41	Average Cost of Fuel per Unit Burned	36.760	2.114
42	Average Cost of Fuel Burned per Million BTU	178.018	1555.054
43	Average Cost of Fuel Burned per KWh Net Gen	0.019	0.000
44	Average BTU per KWh Net Generation	10184.000	0.000

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) 05/18/2008	Year/Period of Report End of <u>2007/Q4</u>
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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

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) 05/18/2008	Year/Period of Report 2007/Q4
FOOTNOTE DATA			

Schedule Page: 402 Line No.: 43 Column: b1

Includes coal and oil.

Schedule Page: 402 Line No.: 44 Column: b1

Includes coal and oil.

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) 05/18/2008	Year/Period of Report End of 2007/Q4
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TRANSMISSION LINE STATISTICS

- 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.
- 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.
- Report data by individual lines for all voltages if so required by a State commission.
- Exclude from this page any transmission lines for which plant costs are included in Account 121, Nonutility Property.
- 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.
- 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) 05/18/2008	Year/Period of Report End of <u>2007/Q4</u>
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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
								11
								12
								13
								14
"	341,839	4,922,293	5,264,132					15
								16
								17
								18
"	221,853	2,391,061	2,612,914					19
								20
								21
								22
"								23
								24
								25
"								26
								27
								28
								29
								30
				2,466,551	749,691		3,216,242	31
								32
								33
								34
								35
	1,930,169	24,796,595	26,726,764	2,466,551	749,691		3,216,242	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) 05/18/2008	Year/Period of Report 2007/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) 05/18/2008	Year/Period of Report End of <u>2007/Q4</u>
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SUBSTATIONS

- Report below the information called for concerning substations of the respondent as of the end of the year.
- Substations which serve only one industrial or street railway customer should not be listed below.
- 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.
- 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					
25					
26					
27					
28					
29					
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31					
32					
33					
34					
35					
36					
37					
38					
39					
40					

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) 05/18/2008	Year/Period of Report End of <u>2007/Q4</u>
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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
						11
						12
						13
						14
						15
						16
						17
						18
						19
						20
						21
						22
						23
						24
						25
						26
						27
						28
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						30
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						36
						37
						38
						39
						40

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