

ELECTRIC
INTRASTATE
ANNUAL REPORT

OF

OHIO VALLEY ELECTRIC CORPORATION

(Exact legal name of respondent)

If name was changed during year, show also the
previous name and date of change.

P. O. Box 468, Piketon, OH 45661

(Address of principal business office at end of year)

TO THE
PUBLIC UTILITIES COMMISSION OF OHIO



FOR THE
YEAR ENDED DECEMBER 31, 19__97

Name, title, address and telephone number (including area code) of the person to be contacted concerning this report.

RONALD D. COOK, Assistant Secretary

P. O. Box 468, Piketon, OH 45661 #740/289-7233

INSTRUCTIONS

This Form of Annual Report should be filled out and two (2) copies, duly verified, returned to the Public Utilities Commission of Ohio, Columbus, Ohio, and one (1) copy returned to the Office of Consumers' Counsel, Columbus, Ohio, as required by law. The respondent should retain one copy in its files for reference in case correspondence with regard to such report becomes necessary.

Amounts on any schedule should be rounded off to the nearest whole dollar.

"Intrastate" means from one point in Ohio to another point in Ohio, or wholly within Ohio.

Attention is called to the following sections of the Revised Code of Ohio:

4905.03 (614-2 G.C.) Revised Code
4905.10 (606 - G. C.) Revised Code
4905.14 (614-48 G.C.) Revised Code
4905.56 (614-65 G.C.) Revised Code
4905.99 (614-65 G.C.) Revised Code

ELECTRIC

**ACCOUNT 186.XX/182.3XX PIP CUSTOMER DEFERRED
ACCOUNTS RECEIVABLE**

Month (A)	Beginning Balance PIP Deferred (B)	Transfers From A/C 142.XX (C)	Recoveries Through Tariff Rider (D)	Other Items (Explain Below) (E)	Ending Balance PIP Deferred (F)=(B+C-D+E)
January					
February					
March					
April					
May					
June					
July					
August					
September					
October					
November					
December					
TOTAL	Not applicable.				

NOTE: THIS SCHEDULE IS TO BE FILLED OUT AND PIP ACCOUNTING INFORMATION QUESTIONS BELOW ANSWERED BY COMPANIES THAT CURRENTLY HAVE PIP TARIFF RIDERS IN EFFECT.

Company defers aged PIP in (Acct. 186.XX/ Acct. 182.3XX) select one

PIP balances are transferred after they become _____ months old

Pre-PIP balances (are, are not) transferred to PIP deferred

ELECTRIC

ACCOUNT 142.XX - PIP CUSTOMER ACCOUNTS RECEIVABLE					
Month (A)	Beginning Bal. (B)	Transfers From A/C 142 (C)	Transfers From A/C 144 (D)	Transfers To A/C 186/1823 (E)	Ending Bal. (F)=(B+C+D+E)
January					
February					
March					
April					
May					
June					
July					
August					
September					
October					
November					
December					
TOTAL	Not applicable.				

NOTE: THIS SCHEDULE IS TO BE FILLED OUT BY COMPANIES THAT CURRENTLY HAVE PIP TARIFF RIDERS IN EFFECT.

SCHEDULE: 3

IN ORDER TO ENSURE THAT PUCO CORRESPONDENCE IS DIRECTED TO THE APPROPRIATE PERSON AT THE CORRECT ADDRESS, PLEASE COMPLETE THE FOLLOWING.

**Name, Title, Address, and Phone Number of the Company's Contact Persons
to Receive Entries and Orders from the Docketing Division**

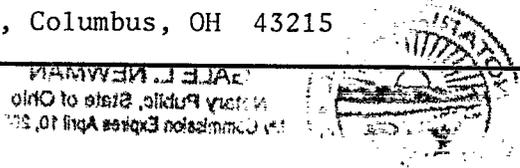
	JOHN D. BRODT, Secy & Treas	
Name	Ohio Valley Electric Corp. P. O. Box 468, Piketon, OH 45661	Title
Address		
	740/289-7215	
Phone Number (Including Area Code)		

**Name, Title, Address, and Phone Number of Person to whom Invoice
should be Directed**

	JOHN D. BRODT, Secy & Treas	
Name	Ohio Valley Electric Corp. P. O. Box 468, Piketon, OH 45661	Title
Address		
	740/289-7215	
Phone Number (Including Area Code)		

Name and Address of the President

	E. LINN DRAPER, JR., President	
Name	Ohio Valley Electric Corp. AEP Bldg., 1 Riverside Plaza, Columbus, OH 43215	President
Address		



OATH

State of Ohio
County of Pike

WE, THE UNDERSIGNED JOHN D. BRODT, Secy & Treas, President,
and Robert L. Barbee, Chief Accountant and Asst Treas
of OHIO VALLEY ELECTRIC CORPORATION
(Full name of respondent.)

on our oath do severally say that the foregoing return has been prepared, under our direction, from the original books, papers, and records of said Company; that we have carefully examined the same, and declare the same to be a complete and correct statement of the intrastate gross earnings of said Company in respect to each and every matter and thing therein set forth; and we further say that no deductions were made before stating the amounts herein set forth, and that the accounts and figures contained in the foregoing return embrace all of the intrastate gross earnings of said Company during the period for which said return is made, to the best of our knowledge, information, and belief.

John D. Brodt
JOHN D. BRODT, Secy & Treas ~~President~~
(Or other Chief Officer.)

Robert L. Barbee
ROBERT L. BARBEE (Officer in charge of Accounts.)
Chief Accountant and Asst Treas

Subscribed and Sworn to before me, this 11th day of May, 1998.

Gale L. Newman
(Signature of officer authorized to administer oaths.)



GALE L. NEWMAN
Notary Public, State of Ohio
My Commission Expires April 10, 2002

FEDERAL ENERGY REGULATORY COMMISSION

WASHINGTON, D.C. 20426

In Reply Refer To:
OCA-DE/HO
Docket No. AC98-75-000

APR 28 1998

LETTER ORDER

Ohio Valley Electric Corporation
Indiana-Kentucky Electric Corporation
Attention: Mr. John D. Brodt
Secretary and Treasurer
P.O. Box 468
Piketon, OH 45661

Thank you for your April 15, 1998, letter asking us to grant Ohio Valley Electric Corporation and Indiana-Kentucky Electric Corporation (the companies), an extension of time until May 15, 1998, to file the Annual Report FERC Form No.1 for the reporting year ending December 31, 1997. Based on the circumstances described in your letter, the companies are granted an extension of time to May 15, 1998, to file the electronic data submission and the hardcopy of the Annual Report Form No. 1 for the year ended December 31, 1997.

This letter order constitutes final agency action. If you wish the Commission to rehear your case, you must file a request within 30 days of the date of this letter order (See 18 C.F.R. § 385.713).

Sincerely,

James B. Caruso
James B. Caruso, Acting
Director, Division of Electric
and HydroPower Operations

APR 30 1998

THIS FILING IS (CHECK ONE BOX FOR EACH ITEM)

Item 1: An Initial (Original) Submission OR Resubmission No. _____

Item 2: An Original Signed Form OR Conformed Copy

Form Approved
OMB No. 1902-0021
(Expires 7/31/98)



FERC Form No. 1: ANNUAL REPORT OF MAJOR ELECTRIC UTILITIES, LICENSEES AND OTHERS

STATE OF OHIO

PUBLIC UTILITIES COMMISSION

This report is mandatory under the Federal Power Act, Sections 3, 4(a), 304 and 309, and 18 CFR 141.1. 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 this report to be of a confidential nature.

Exact Legal Name of Respondent (Company)

OHIO VALLEY ELECTRIC CORPORATION

Year of Report

Dec. 31, 1997

ARTHUR ANDERSEN LLP

Report of Independent Public Accountants

To Ohio Valley Electric Corporation:

We have audited the balance sheets - regulatory basis of OHIO VALLEY ELECTRIC CORPORATION (an Ohio corporation) as of December 31, 1997 and 1996, and the related statements of income - regulatory basis for the years then ended and the related statements of cash flows - regulatory basis and retained earnings - regulatory basis for the year ended December 31, 1997, included on pages 110 through 123.17 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 audits.

We conducted our audits in accordance with generally accepted auditing standards. 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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 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 generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ohio Valley Electric Corporation as of December 31, 1997 and 1996, the results of its operations for the years then ended and its cash flows for the year ended December 31, 1997, 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 should not be used for any other purpose.

Arthur Andersen LLP

Columbus, Ohio,
March 20, 1998.

FEDERAL ENERGY REGULATORY COMMISSION

WASHINGTON, D.C. 20426

In Reply Refer To:
OCA-DE/HO
Docket No. AC98-75-000

APR 28 1998

LETTER ORDER

Ohio Valley Electric Corporation
Indiana-Kentucky Electric Corporation
Attention: Mr. John D. Brodt
Secretary and Treasurer
P.O. Box 468
Piketon, OH 45661

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This letter order constitutes final agency action. If you wish the Commission to rehear your case, you must file a request within 30 days of the date of this letter order (See 18 C.F.R. § 385.713).

Sincerely,

James B. Caruso

(cc) James B. Caruso, Acting
Director, Division of Electric
and HydroPower Operations

APR 30 1998

INSTRUCTIONS FOR FILING THE

FERC FORM NO. 1

GENERAL INFORMATION

I. Purpose

This form is a regulatory support requirement (18 CFR 141.1). It is designed to collect financial and operational information from major electric utilities, licensees and others subject to the jurisdiction of the Federal Energy Regulatory Commission. This report is also secondarily considered to be a nonconfidential public use form supporting a statistical publication (Financial Statistics of Selected Electric Utilities), published by the Energy Information Administration.

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 CFR 101), must submit this form.

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 this form on electronic media consisting of two (2) duplicate data diskettes and an original and six (6) conformed paper copies, properly filed in and attested, to:

Office of the Secretary
Federal Energy Regulatory Commission
888 First Street, NE.
Room 1A-21
Washington, DC 20426

Retain one copy of this report for your files.

Include with the original and each conformed paper copy of this form the subscription statement required by 18 C.F.R. 385.2011(c)(5). Paragraph (c)(5) of 18 C.F.R. 385.2011 requires each respondent submitting data electronically to file a subscription stating that the paper copies contain the same information as contained on the electronic media, that the signer knows the contents of the paper copies and electronic media, and that the contents as stated in the copies and on the electronic media are true to the best knowledge and belief of the signer.

- (b) Submit immediately upon publication, four (4) copies of the latest annual report to stockholders and any annual financial or statistical report regularly prepared and distributed to bondholders, security analysts, or industry associations. (Do not include monthly and quarterly reports. Indicate by checking the appropriate box on Page 4, List of Schedules, if the reports to stockholders will be submitted or if no annual report to stockholders is prepared.) Mail these reports to:

Chief Accountant
Federal Energy Regulatory Commission
888 First Street, NE.
Room 1A-21
Washington, DC 20426

- (c) For the CPA certification, submit with the original submission, or within 30 days after the filing date for this form, a letter or report (not applicable to respondents classified as Class C or Class D prior to January 1, 1984):
- (i) Attesting to the conformity, in all material aspects, of the below listed (schedules and) pages with the Commission's applicable Uniform Systems of Accounts (including applicable notes relating thereto and the Chief Accountant's published accounting releases), and
 - (ii) 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 CFR 41.10-41.12 for specific qualifications.)

III. What and Where to Submit (Continued)

(c) Continued

Schedules	Reference Pages
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

When accompanying this form, insert the letter or report immediately following the cover sheet. When submitting after the filing date for this form, send the letter or report to the Office of the Secretary at the address indicated at III (a).

Use the following form for the letter or report 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.

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

- (d) Federal, State and Local Governments and other authorized users may obtain additional blank copies to meet their requirements free of charge from:

Public Reference and Files Maintenance Branch
Federal Energy Regulatory Commission
888 First Street, NE.
Room 2A-1 ED-12.2
Washington, DC 20426
(202) 208-2474

IV. When to Submit:

Submit this report form on or before April 30th of the year following the year covered by this report.

V. Where to Send Comments on Public Reporting Burden.

The public reporting burden for this collection of information is estimated to average 1,217 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. Send comments regarding this burden estimate or any aspect of this collection of information, including suggestions for reducing this burden, to the Federal Energy Regulatory Commission, 888 First Street NE., Washington, DC 20426 (Attention: Mr. Michael Miller, ED-12.3); 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).

GENERAL INSTRUCTIONS

- I. Prepare this report in conformity with the Uniform System of Accounts (18 CFR 101) (U.S. of A.). Interpret all accounting words and phrases in accordance with the U. S. of A.
- 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 year, and use for statement of income accounts the current year's amounts.
- III. Complete each question fully and accurately, even if it has been answered in a previous annual 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, 3, and 4.
- 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). The date of the resubmission must be reported in the header for all form pages, whether or not they are changed from the previous filing.
- 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, two (2) new data diskettes and an original and six (6) conformed paper copies of the entire form, as well as the appropriate number of copies of the subscription statement indicated at instruction III (a) must be filed. Resubmissions must be numbered sequentially both on the diskettes and on the cover page of the paper copies of the form. In addition, the cover page of each paper copy must indicate that the filing is a resubmission. Send the resubmissions to the address indicated at instruction III (a).
- VIII. Do not make references to reports of previous years or to other reports in lieu of required entries, except as specifically authorized.
- IX. Wherever (schedule) pages refer to figures from a previous year, the figures reported must be based upon those shown by the annual report of the previous year, or an appropriate explanation given as to why the different figures were used.

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.

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 wit:
 ... (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 on the business of developing, transmitting, utilizing, 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 forebay reservoirs directly connected therewith, the primary line or lines transmitting power therefrom 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."

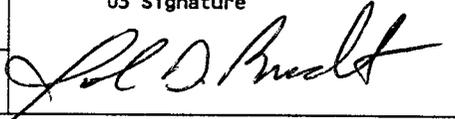
"Sec. 304. (a) Every licensee and every public utility shall file with the Commission such annual and other periodic or special reports as the Commission may by rules and regulations or otherwise prescribe as necessary or appropriate to assist the Commission in the proper administration of this Act. The Commission may prescribe the manner and form in which such reports shall 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."

"Sec. 309. The Commission shall have power to perform any and all acts, and to prescribe, issue, make, amend, 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 form or 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

"Sec. 315. (a) Any licensee or public utility which willfully fails, within the time prescribed by the Commission, to comply with any order of the Commission, to file any report required under this Act or any rule or regulation of the Commission thereunder, to submit any information of document required by the Commission in the course of an investigation conducted under this Act,...shall forfeit to the United States an amount not exceeding \$1,000 to be fixed by the Commission after notice and opportunity for hearing...."

FERC FORM NO. 1:
ANNUAL REPORT OF MAJOR ELECTRIC UTILITIES LICENSEES AND OTHER

IDENTIFICATION		
01 Exact Legal Name of Respondent OHIO VALLEY ELECTRIC CORPORATION		02 Year of Report Dec. 31, 1997
03 Previous Name and Date of Change (if name changed during year)		
04 Address of Principal Office at End of Year (Street, City, State, Zip Code) P.O. Box 468, 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) P.O. Box 468, Piketon, Ohio 45661		
08 Telephone of Contact Person, including Area Code 740/289-7200	09 This Report is (1) x An Original (2) A Resubmission	10 Date of Report (Mo, Da, Yr) 04/30/98
ATTESTATION		
The undersigned officer certifies that he/she has examined the accompanying report, that to the best of his / her knowledge information and belief, all statements of fact contained in the accompanying report are true and the accompanying report is a correct statement of the business and affairs of the above named respondent in respect to each and every matter set forth therein during the period from and including January 1 to and including December 31 of the year of the report.		
01 Name John D. Brodt	03 Signature 	04 Date Signed (Mo, Da, Yr) 05/06/98
02 Title Secretary and Treasurer		
Title 18, U.S.C. 1001, makes it a crime for any person 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) [x] An Original (2) [] A Resubmission	Date of Report (Mo, Da, Yr) 04/30/98	Year of Report Dec. 31, 1997
LIST OF SCHEDULES (Electric Utility)			
Enter in column (d) 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".			
Title of Schedule (a)	Reference Page No. (b)	Date Revised (c)	Remarks (d)
GENERAL CORPORATE INFORMATION AND FINANCIAL STATEMENTS			
General Information	101	Ed. 12-87	
Control Over Respondent	102	Ed. 12-96	
Corporations Controlled by Respondent	103	Ed. 12-96	
Officers	104	Ed. 12-96	
Directors	105	Ed. 12-95	
Security Holders and Voting Powers	106 - 107	Ed. 12-96	
Important Changes During the Year	108 - 109	Ed. 12-96	
Comparative Balance Sheet	110 - 113	Ed. 12-94	
Statement of Income for the Year	114 - 117	Ed. 12-96	
Statement of Retained Earnings for the Year	118 - 119	Ed. 12-96	
Statement of Cash Flows	120 - 121	Ed. 12-96	
Notes to Financial Statements	122 - 123	Ed. 12-96	
BALANCE SHEET SUPPORTING SCHEDULES (Assets and Other Debits)			
Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization, and Depletion			
Nuclear Fuel Materials	200 - 201	Ed. 12-89	
Electric Plant in Service	202 - 203	Ed. 12-89	NA
Electric Plant Leased to Others	204 - 207	Rev. 12-95	
Electric Plant Held for Future Use	213	Rev. 12-95	none
Construction Work in Progress -- Electric	214	Ed. 12-89	none
Construction Overheads -- Electric	216	Ed. 12-87	
General Description of Construction Overhead Procedure	217	Ed. 12-89	
Accumulated Provision for Depreciation of Electric Utility Plant	218	Ed. 12-88	
Nonutility Property	219	Ed. 12-88	
Investment in Subsidiary Companies	221	Rev. 12-95	none
Materials and Supplies	224 - 225	Ed. 12-89	
Allowances	227	Ed. 12-96	
Extraordinary Property Losses	228 - 229	Ed. 12-95	
Unrecovered Plant and Regulatory Study Costs	230	Ed. 12-93	none
Other Regulatory Assets	230	Ed. 12-93	none
Miscellaneous Deferred Debits	232	Ed. 12-95	none
Accumulated Deferred Income Taxes (Account 190)	233	Ed. 12-94	
	234	Ed. 12-88	
BALANCE SHEET SUPPORTING SCHEDULES (Liabilities and Other Credits)			
Capital Stock	250 - 251	Ed. 12-91	
Capital Stock Subscribed, Capital Stock Liability for Conversion, Premium on Capital Stock, and Installments Received on Capital Stock	252	Rev. 12-95	none
Other Paid-in Capital	253	Ed. 12-87	none
Discount on Capital Stock	254	Ed. 12-87	none
Capital Stock Expense	254	Ed. 12-86	none
Long-Term Debt	256 - 257	Ed. 12-96	

LIST OF SCHEDULES (Electric Utility) (Continued)

Title of Schedule (a)	Reference Page No. (b)	Date Revised (c)	Remarks (d)
BALANCE SHEET SUPPORTING SCHEDULES (Liabilities and Other Credits) (Continued)			
Reconciliation of Reported Net Income with Taxable Income			
for Federal Income Taxes	261	Ed. 12-96	
Taxes Accrued, Prepaid and Charged During Year	262 - 263	Ed. 12-96	
Accumulated Deferred Investment Tax Credits	266 - 267	Ed. 12-89	
Other Deferred Credits	269	Ed. 12-88	
Accumulated Deferred Income Taxes -- Accelerated Amortization			
Property	272 - 273	Ed. 12-96	none
Accumulated Deferred Income Taxes -- Other Property	274 - 275	Ed. 12-96	
Accumulated Deferred Income Taxes -- Other	276 - 277	Ed. 12-96	none
Other Regulatory Liabilities	278	Ed. 12-94	none
INCOME ACCOUNT SUPPORTING SCHEDULES			
Electric Operating Revenues	300 - 301	Ed. 12-96	
Sales of Electricity by Rate Schedules	304	Ed. 12-95	
Sales of Resale	310 - 311	Ed. 12-88	
Electric Operation and Maintenance Expenses	320 - 323	Ed. 12-95	
Number of Electric Department Employees	323	Ed. 12-93	
Purchased Power	326 - 327	Ed. 12-95	
Transmission of Electricity for Others	328 - 330	Ed. 12-90	
Transmission of Electricity by Others	332	Ed. 12-90	none
Miscellaneous General Expenses -- Electric	335	Ed. 12-94	
Depreciation and Amortization of Electric Plant	336 - 337	Ed. 12-95	none
Particulars Concerning Certain Income Deduction and Interest			
Charges Accounts	340	Ed. 12-87	
COMMON SECTION			
Regulatory Commission Expenses	350 - 351	Ed. 12-96	
Research, Development and Demonstration Activities	352 - 353	Ed. 12-87	
Distribution of Salaries and Wages	354 - 355	Ed. 12-88	
Common Utility Plant and Expenses	356	Ed. 12-87	none
ELECTRIC PLANT STATISTICAL DATA			
Electric Energy Account	401	Rev. 12-90	
Monthly Peaks and Output	401	Rev. 12-90	
Steam-Electric Generating Plant Statistics (Large Plants)	402 - 403	Rev. 12-95	
Hydroelectric Generating Plant Statistics (Large Plants)	406 - 407	Ed. 12-89	NA
Pumped Storage Generating Plant Statistics (Large Plants)	408 - 409	Ed. 12-88	NA
Generating Plant Statistics (Small Plants)	410 - 411	Ed. 12-87	NA

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.) 04/30/98	Year of Report Dec. 31, 1997
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LIST OF SCHEDULES (Electric Utility) (Continued)

Title of Schedule (a)	Reference Page No. (b)	Date Revised (c)	Remarks (d)
ELECTRIC PLANT STATISTICAL DATA (Continued)			
Transmission Line Statistics	422 - 423	Ed. 12-87	
Transmission Lines Added During Year	424 - 425	Ed. 12-86	none
Substations	426 - 427	Ed. 12-96	
Electric Distribution Meters and Line Transformers	429	Ed. 12-88	none
Environmental Protection Facilities	430	Ed. 12-88	
Environmental Protection Expenses	431	Ed. 12-88	
Footnote Data	450	Ed. 12-87	none
Stockholders' Reports Check appropriate box:			
<input checked="" type="checkbox"/> Four copies will be submitted.			
<input type="checkbox"/> No annual report to stockholders is prepared.			

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) 04/30/98	Year of Report Dec. 31, 1997
GENERAL INFORMATION			
<p>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 the office where any other corporate books are kept, if different from that where the general corporate books are kept.</p> <p style="padding-left: 40px;">John D. Brodt, Secretary and Treasurer P.O. Box 468 Piketon, OH 45561</p>			
<p>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.</p> <p style="padding-left: 40px;">Incorporated under the General Corporation Laws of the State of Ohio on October 12, 1952</p>			
<p>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.</p> <p style="text-align: center; padding-top: 40px;">Not Applicable</p>			
<p>4. State the classes of utility and other services furnished by respondent during the year in each State in which the respondent operated.</p> <p style="padding-left: 40px; text-align: center;">Major-Electric Utility-Ohio</p>			
<p>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?</p> <p style="padding-left: 40px;">Yes...Enter the date when such independent accountant was initially engaged:</p> <p style="padding-left: 40px;"><input checked="" type="checkbox"/> No</p>			

Name of Respondent OHIO VALLEY ELECTRIC CORPORATION	This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo. Da. Yr) 04/30/98	Year of Report Dec. 31, 1997
CONTROL OVER RESPONDENT			
<p>1. If any corporation, business trust, or similar organization or combination of such organizations jointly held control over the respondent at end of 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.</p>			
<p>All of the outstanding capital stock of Ohio Valley Electric Corporation is owned by ten(10) investor-owned utility companies. American Electric Power Company, Inc., and its subsidiary Columbus Southern Power Company hold 44.2% of Ohio Valley Electric Corporation's capital stock.</p>			

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) An Original
(2) A Resubmission

Date of Report
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04/30/98

Year of Report
Dec. 31, 1997

OFFICERS

1. 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 policymaking functions.

2. If a change was made during the year in the incumbency 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	E. Linn Draper, Jr.	0
2			
3	Vice President	* Gerald P. Maloney	0
4			
5	Vice President	* Armando A. Pena	0
6			
7	Vice President and Assistant to the President	David L. Hart	0
8			
9	Vice President - Operations	David E. Jones	120,230
10			
11	Secretary and Treasurer	John D. Brodt	87,508
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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) 04/30/98	Year of Report Dec. 31, 1997
DIRECTORS				
1. Report below the information called for concerning each director of the respondent who held office at any time during the year. Include in column (a), abbreviated titles of the directors who are officers of the respondent.			2. Designate members of the Executive Committee by a triple asterisk and the Chairman of the Executive Committee by a double asterisk.	
Line No.	Name (and Title) of Director (a)	Principal Business Address (b)		
1	George W. Basinger***(1)	220 W. Main St., Louisville, KY 40202		
2	E. linn Draper, Jr.**	1 Riverside Plaza, Columbus, OH 43216		
3	Murray R. Edelman (2)	6200 Oak Tree Blvd., Independence, OH 44313		
4	Donald R. Feenstra	800 Cabin Hill Dr., Greensburg, PA 15601		
5	Arthur R. Garfield (2)	6200 Oak Tree Blvd., Independence, OH 44313		
6	Chris Hermann***(1)	220 W. MAIN St., Louisville, KY 40202		
7	Allen M. Hill	1065 Woodman Dr., Dayton, OH 45432		
8	Willard R. Holland***	76 S. Main St., Akron, OH 44308		
9	John R. Jones, III	1 Riverside Plaza, Columbus, OH 43216		
10	William J. Lhota	1 Riverside Plaza, Columbus, OH 43216		
11	James J. Markowsky	1 Riverside Plaza, Columbus, OH 43216		
12	Alan J. Noia***	10435 Downsville Pike, Hagerstown, MD 21740		
13	Guy L. Pipitone (3)	300 Madison Ave., Toledo, OH 43652		
14	Jackson H. Randolph***	139 E. Fourth St., Cincinnati, OH 45202		
15	Ronald G. Reherman	20 NW Fourth St., Evansville, IN 47741		
16	Peter J. Skrgic	800 Cabin Hill Dr., Greensburg, PA 15601		
17	Michael R. Whitley	One Quality St., Lexington, KY 40507		
18				
19	(1) George W. Basinger elected June 1997, to replace			
20	Chris Hermann.			
21				
22	(2) Arthur R. Garfield elected March, 1998, to replace			
23	Murray R. Edelman.			
24				
25	(3) Guy L. Pipitone elected March, 1998.			
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Name of Respondent
OHIO VALLEY ELECTRIC CORPORATION

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(Mo., Da., Yr)
04/30/98

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Dec. 31, 1997

SECURITY HOLDERS AND VOTING POWERS

1. Give the names and addresses of the 10 security holders of the respondent who, at the date of the latest closing of the stock book or compilation of list of stockholders of the respondent, prior to the end of the year had the highest voting powers in the respondent, and state the number of votes which each would have had the right to cast on that date if a meeting were then in order. If any such holder held in trust, give in a footnote the known particulars of the trust (whether voting trust, etc.) duration of trust, and principal holders of beneficiary interests in the trust. If the stock book was not closed or a list of stockholders was not compiled within one year prior to the end of the year, or if since the previous compilation of a list of stockholders, some other class of security has become vested with voting rights, then show such 10 security holders as of the close of the year. Arrange the names of the security holders in the order of voting power, commencing with the highest. Show in column (a) the titles of officers and directors included in such list of 10 security holders.

whereby such security became vested with voting rights and give other important particulars (details) concerning the voting rights of such security. State whether voting rights are actual or contingent; if contingent, describe the contingency.

3. If any class or issue of security has any special privileges in the election of directors, trustees or managers, or in the determination of corporate action by any method, explain briefly in a footnote.

4. Furnish particulars (details) concerning any options, warrants, or rights outstanding at the end of the year for others to purchase securities of the respondent or any securities or other assets owned by the respondent, including prices, expiration dates, and other material information relating to exercise of the options, warrants, or rights. Specify the amount of such securities or assets so entitled to be purchased by any officer, director, associated company, or any of the ten largest security holders. This instruction is inapplicable to convertible securities or to any securities substantially all of which are outstanding in the hands of the general public where the options, warrants, or rights were issued on a prorata basis.

2. If any security other than stock carries voting rights, explain in a footnote the circumstances

1. Give date of the latest closing of the stock book prior to end of year, and state the purpose of such closing:

December 31, 1997

2. State the total number of votes cast at the latest general meeting prior to end of year for election of directors or the respondent and number of such votes cast by proxy

Total: 100,000

By proxy: 100,000

3. Give the date and place of such meeting:

07-Apr-97
One Riverside Plaza
Columbus, OH 43215

Line No.	Name (Title) and Address of Security Holder (a)	VOTING SECURITIES Number of votes as of (date): December 31, 1997			
		Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
4	TOTAL votes of all voting securities	100,000	100,000	0	0
5	TOTAL number of security holders	10	10	0	0
6	TOTAL votes of Security holders listed below	100,000	100,000	0	0
7	1. American Electric Power Co., Inc.,	39,900	39,900	0	0
8	Columbus, OH				
9					
10	Ohio Edison Co.,	16,500	16,500	0	0
11	Akron, OH				
12					
13	Allegheny Power System, Inc.	12,500	12,500	0	0
14	New York, NY				
15					
16	The Cincinnati Gas & Electric Co.,	9,000	9,000	0	0
17	Cincinnati, OH				
18					

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) 04/30/98		Year of Report Dec. 31, 1997	
SECURITY HOLDERS AND VOTING POWERS (Continued)							
Line No.	Name (Title) and Address of Security Holder (a)	Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)		
19							
20	Louisville Gas and Electric Co.,	4,900	4,900	0	0		
21	Louisville, KY						
22							
23	The Dayton Power and Light Co.,	4,900	4,900	0	0		
24	Dayton, OH						
25							
26	Columbus Southern Power Co.,	4,300	4,300	0	0		
27	Columbus, OH						
28							
29	The Toledo Edison Co.,	4,000	4,000	0	0		
30	Toledo, OH						
31							
32	Kentucky Utilities Company	2,500	2,500	0	0		
33	Lexington, KY						
34							
35	Southern Indiana Gas and Electric Co.	1,500	1,500	0	0		
36	Evansville, IN						
37							
38	2. No security other than stock carries						
39	voting rights						
40							
41	3. Not Applicable						
42							
43	4. Not Applicable						
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Name of Respondent
OHIO VALLEY ELECTRIC CORPORATION

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(Mo. Da. Yr.)
04/30/98

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IMPORTANT CHANGES DURING THE 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 therefor 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 conditions. 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.

PAGE 108 INTENTIONALLY LEFT BLANK
SEE PAGE 109 FOR REQUIRED INFORMATION

Name of Respondent OHIO VALLEY ELECTRIC CORPO RATION	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/98	Year of Report Dec. 31, 1997
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IMPORTANT CHANGES DURING THE 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, 1997, a general wage increase of approximately 3.09% was given to all employees except management and clerical personnel.
9. Not Applicable
10. Not Applicable
11. Not Applicable
12. See Notes to the Financial Statements beginning on Page 122.

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.) 04/30/98	Year of Report Dec. 31, 1997
COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)				
Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
1	UTILITY PLANT			
2	Utility Plant (101-106, 114)	200-201	\$269,307,341	\$289,590,770
3	Construction Work in Progress (107)	200-201	3,594,905	2,067,308
4	TOTAL UTILITY PLANT (Enter Total of lines 2 and 3)		\$272,902,246	\$291,658,078
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 111, 115)	200-201	265,770,023	286,058,153
6	Net Utility Plant (Enter Total of line 4 Less 5)	-	\$7,132,223	\$5,599,925
7	Nuclear Fuel (120.1-120.4, 120.6)	202-203		
8	(Less) Accum. Prov. for Amort. of Nucl. Assemblies (120.5)	202-203		
9	Net Nuclear Fuel (Enter Total of lines 7 Less 8)	-	0	0
10	Net Utility Plant (Enter Total of lines 6 and 9)	-	\$7,132,223	\$5,599,925
11	Utility Plant Adjustments (116)	122		
12	Gas Stored Underground-Noncurrent (117)	-		
13	OTHER PROPERTY AND INVESTMENTS			
14	Nonutility Property (121)	221		
15	(Less) Accum. Prov. for Depr. and Amort. (122)	-		
16	Investments in Associated Companies (123)	-		
17	Investment in Subsidiary Companies (123.1)	224-225	73,949,005	67,887,685
18	(For Cost of Account 123.1, See Footnote Page 224, Line 42)	-		
19	Noncurrent Portion of Allowances	228-229		5,778,738
20	Other Investments (124)			
21	Special Funds (125-128)	-		
22	TOTAL Other Property and Investments (Total of lines 14-17, 19-21)		\$73,949,005	\$73,666,423
23	CURRENT AND ACCRUED ASSETS			
24	Cash (131)	-	2,416,067	5,310,795
25	Special Deposits (132-134)	-	2,000	2,000
26	Working Fund (135)	-	17,874	12,521
27	Temporary Cash Investments (136)	-	0	
28	Notes Receivable (141)	-		
29	Customer Accounts Receivable (142)	-	17,197,424	19,409,875
30	Other Accounts Receivable (143)	-	6,234	2,769
31	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)	-		
32	Notes Receivable from Associated Companies (145)	-		
33	Accounts Receivable from Assoc. Companies (146)	-	4,256,389	6,773,504
34	Fuel Stock (151)	227	14,989,016	11,896,643
35	Fuel Stock Expenses Undistributed (152)	227		
36	Residuals (Elec) and Extracted Products (153)	227		
37	Plant Materials and Operating Supplies (154)	227	10,308,806	10,286,972
38	Merchandise (155)	227		
39	Other Materials and Supplies (156)	227		
40	Nuclear Materials Held for Sale (157)	202-203/227		
41	Allowances (158.1 and 158.2)	228-229	32,197	11,365,357
42	(Less) Noncurrent Portion of Allowances	228-229		5,778,738
43	Stores Expense Undistributed (163)	-		
44	Gas Stored Underground-Current (164.1)	-		
45	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)	-		
46	Prepayments (165)	-	494,571	834,950
47	Advances for Gas (166-167)	-		
48	Interest and Dividends Receivable (171)	-		
49	Rents Receivable (172)	-		
50	Accrued Utility Revenues (173)	-		
51	Miscellaneous Current and Accrued Assets (174)	-	3,600,000	4,086,000
52	TOTAL Current and Accrued Assets (Enter Total of lines 24 thru 51)		\$53,320,578	\$64,202,648

Name of Respondent
OHIO VALLEY ELECTRIC CORPORATION

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COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS) (Continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
53	DEFERRED DEBITS			
54	Unamortized Debt Expenses (181)	-	\$357,126	\$317,074
55	Extraordinary Property Losses (182.1)	230		
56	Unrecovered Plant and Regulatory Study Costs (182.2)	230		
57	Other Regulatory Assets (182.3)	232		
58	Prelim. Survey and Investigation Charges (Electric) (183)	-	210,381	493,368
59	Prelim. Sur. and Invest. Charges (Gas) (183.1, 183.2)	-		
60	Clearing Accounts (184)	-		
61	Temporary Facilities (185)	-		
62	Miscellaneous Deferred Debits (186)	233	24,430,311	28,217,590
63	Def. Losses from Disposition of Utility Plt. (187)	-		
64	Research, Devel. and Demonstration Expend. (188)	352-353		
65	Unamortized Loss on Reacquired Debt (189)	-		
66	Accumulated Deferred Income Taxes (190)	234	26,103,510	21,504,379
67	Unrecovered Purchased Gas Costs (191)	-		
68	TOTAL Deferred Debits (Enter Total of lines 54 thru 67)		\$51,101,328	\$50,532,411
69	TOTAL Assets and other Debits (Enter Total of lines 10,11,12, 22,52, and 68)		\$185,503,134	\$194,001,407

Name of Respondent ORTO VALLEY ELECTRIC CORPORATION		This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo., Da., Yr.) 04/30/98	Year of Report Dec. 31, 1997
COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)				
Line No.	Title of Account (a)	Ref. Page no. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
1	PROPRIETARY CAPITAL			
2	Common Stock Issued (201)	250-251	\$10,000,000	\$10,000,000
3	Preferred Stock Issued (204)	250-251		
4	Capital Stock Subscribed (202, 205)	252		
5	Stock Liability for Conversion (203, 206)	252		
6	Premium on Capital Stock (207)	252		
7	Other Paid-in Capital (208-211)	253		
8	Installments Received on Capital Stock (212)	252		
9	(Less) Discount on Capital Stock (213)	254		
10	(Less) Capital Stock Expense (214)	254		
11	Retained Earnings (215, 215.1, 216)	118-119	2,430,811	2,064,350
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119		
13	(Less) Reacquired Capital Stock (217)	250-251		
14	TOTAL Proprietary Capital (Enter Total of Lines 2 thru 13)	-	\$12,430,811	\$12,064,350
15	LONG-TERM DEBT			
16	Bonds (221)	256-257		
17	(Less) Reacquired Bonds (222)	256-257		
18	Advances from Associated Companies (223)	256-257		
19	Other Long-Term Debt (224)	256-257	70,727,840	64,666,520
20	Unamortized Premium on Long-Term Debt (225)	-		
21	(Less) Unamortized Discount on Long-Term Debt-Debit (226)	-		
22	TOTAL Long-Term Debt (Enter Total of Lines 16 thru 21)	-	\$70,727,840	\$64,666,520
23	OTHER NONCURRENT LIABILITIES			
24	Obligations Under Capital Leases-Noncurrent (227)	-		
25	Accumulated Provision for Property Insurance (228.1)	-		
26	Accumulated Provision for Injuries and Damages (228.2)	-		
27	Accumulated Provision for Pensions and Benefits (228.3)	-		
28	Accumulated Miscellaneous Operating Provisions (228.4)	-		
29	Accumulated Provision for Rate Refunds (229)	-		
30	TOTAL OTHER Noncurrent Liabilities (Enter Total of lines 24 thru 29)			
31	CURRENT AND ACCRUED LIABILITIES			
32	Notes Payable (231)	- *	8,500,000	* 27,600,000
33	Accounts Payable (232)	-	18,911,993	16,548,310
34	Notes Payable to Associated Companies (233)	-		
35	Account Payable to Associated Companies (234)	-	(267,964)	
36	Customer Deposits (235)	-		1,000
37	Taxes Accrued (236)	262-263	5,514,595	14,792,804
38	Interest Accrued (237)	-	1,491	166,253
39	Dividends Declared (238)	-		
40	Matured Long-Term Debt (239)	-		
41	Matured Interests (240)	-		
42	Tax Collections Payable (241)	-	(12,495)	(183,771)
43	Miscellaneous Current and Accrued Liabilities (242)	-	2,481,362	2,373,571
44	Obligations Under Capital Leases-Current (243)	-		
45	TOTAL Current and Accrued Liabilities (Enter Total of lines 32 thru 44)		\$35,128,982	\$61,298,167

Name of Respondent OHIO VALLEY ELECTRIC CORPORATION	This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo. Da. Yr.) 04/30/98	Year of Report Dec. 31, 1997
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COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS) (Continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Balance at Beginning of Year (c)	Balance at End of Year (d)
46	DEFERRED CREDITS			
47	Customer Advances for Construction (252)		\$2,856,000	\$1,735,000
48	Accumulated Deferred Investment Tax Credits (255)	266-267	10,610,313	10,610,318
49	Deferred Gains from Disposition of Utility Plant (256)			
50	Other Deferred Credits (253)	269	37,302,088	41,296,852
51	Other Regulatory Liabilities (254)	278		
52	Unamortized Gain on Reacquired Debt (257)	269		
53	Accumulated Deferred Income Taxes (281-283)	272-277	16,447,095	2,330,200
54	TOTAL Deferred Credits (Enter Total of Lines 47 thru 53)		\$67,215,501	\$55,972,370
55				
56				
57				
58				
59				
60				
61				
62				
63				
64				
65				
66				
67				
68	TOTAL Liabilities and Other Credits (Enter Total of Lines 14, 22, 30, 45 and 54)		\$185,503,134	\$194,001,407

< Page 112 Line 32 Column c >

This amount includes \$8,500,000 long-term debt due in one year as a current liability which is in Account 224 on our books.

< Page 112 Line 32 Column d >

This amount includes \$7,600,000 long-term debt due in one year as a current liability which is in Account 224 on our books.

Name of Respondent
OHIO VALLEY ELECTRIC CORPORATION

This Report Is:
(1) An Original
(2) A Resubmission

Date of Report
(Mo. Da. Yr.)
04/30/98

Year of Report
Dec. 31, 1997

STATEMENT OF INCOME FOR THE YEAR

1. Report amounts for accounts 412 and 413, Revenue and Expenses from Utility Plant Leased to Others, in another Utility column (i,k,m,o) in a similar manner to a utility department. Spread the amount(s) over lines 02 thru 24 as appropriate. Include these amounts in columns (c) and (d) totals.
2. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.
3. Report data for lines 7,9, and 10 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1 and 407.2.
4. Use pages 122-123 for important notes regarding the statement of income or any account thereof.

5. 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 a material refund to the utility with respect to power or gas purchases. State for each year affected 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 and gas purchases.
6. Give concise explanations concerning significant amounts of any refunds made or received during the year.

Line No.	Account (a)	(Ref.) Page No. (b)	TOTAL	
			Current Year (c)	Previous Year (d)
1	UTILITY OPERATING INCOME			
2	Operating Revenues (400)	300-301	\$301,460,110	\$312,723,140
3	Operating Expenses			
4	Operation Expenses (401)	320-323	268,590,893	285,716,993
5	Maintenance Expenses (402)	320-323	15,472,095	16,942,299
6	Depreciation Expense (403)	336-337		
7	Amort. & Depl. of Utility Plant (404-405)	336-337		
8	Amort. of Utility Plant Acq. Adj. (406)	336-337		
9	Amort. of Property Losses, Unrecovered Plant and Regulatory Study Costs (407)			
10	Amort. of Conversion Expenses (407)			
11	Regulatory Debits (407.3)			
12	(Less) Regulatory Credits (407.4)			
13	Taxes Other Than Income Taxes (408.1)	262-263	5,041,212	5,041,868
14	Income Taxes - Federal (409.1)	262-263	10,057,689	(1,026,269)
15	- Other (409.1)	262-263	(1,487)	3,391
16	Provision for Deferred Income Taxes (410.1)	234,272-277	16,944,267	2,655,862
17	(Less) Provision for Deferred Income Taxes - Cr. (411.1)	234,272-277	22,698,974	2,402,347
18	Investment Tax Credit Adj. - Net (411.4)	266		
19	(Less) Gains from Disp. of Utility Plant (411.6)			
20	Losses from Disp. of Utility Plant (411.7)			
21	(Less) Gains from Disposition of Allowances (411.8)			
22	Losses from Disposition of Allowances (411.9)			
23	TOTAL Utility Operating Expenses (Enter Total of Lines 4 thru 22)		\$293,405,695	\$306,931,797
24	Net Utility Operating Income (Enter Total of line 2 less 23) (Carry forward to page 117, line 25)		\$8,054,415	\$5,791,343

Name of Respondent OHIO VALLEY ELECTRIC CORPORATION	This Report Is: (1) [x] An Original (2) [] A Resubmission	Date of Report (Mo, Da, Yr) 04/30/98	Year of Report Dec. 31, 1997
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STATEMENT OF INCOME FOR THE YEAR (Continued)

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.

7. If any notes appearing in the report to stockholders are applicable to this Statement of Income, such notes may be included on pages 122-123.

8. Enter on pages 122-123 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 approximate dollar effect of such changes.

9. Explain in a footnote if the previous year's figures are different from that reported in prior reports.

10. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles, lines 2 to 23, and report the information in the blank space on pages 122-123 or in a footnote.

ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY		Line No.
Current Year (e)	Previous Year (f)	Current Year (g)	Previous Year (h)	Current Year (i)	Previous Year (j)	
						1
\$301,460,110	\$312,723,140					2
						3
268,590,893	285,716,993					4
15,472,095	16,942,299					5
						6
						7
						8
						9
						10
						11
						12
5,041,212	5,041,868					13
10,057,689	(1,026,269)					14
(1,487)	3,391					15
16,944,267	2,655,862					16
22,698,974	2,402,347					17
						18
						19
						20
						21
						22
\$293,405,695	\$306,931,797	0	0	0	0	23
\$8,054,415	\$5,791,343	0	0	0	0	24

Name of Respondent OHIO VALLEY ELECTRIC CORPORATION	This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo., Da., Yr) 04/30/98	Year of Report Dec. 31, 1997
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STATEMENT OF INCOME FOR THE YEAR (Continued)

Line No.	OTHER UTILITY		OTHER UTILITY		OTHER UTILITY	
	Current Year (k)	Previous Year (l)	Current Year (m)	Previous Year (n)	Current Year (o)	Previous Year (p)
1						
2						
3						
4						
5						
6						
7						
8						
9						
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11						
12						
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14						
15						
16						
17						
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19						
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21						
22						
23						
24						

STATEMENT OF INCOME FOR THE YEAR (Continued)

Line No.	Account (a)	(Ref.) Page No. (b)	TOTAL	
			Current Year (c)	Previous Year (d)
25	Net Utility Operating Income (Carried forward from page 114)	--	\$8,054,415	\$5,791,343
26	Other Income and Deductions			
27	Other Income			
28	Nonutility Operating Income			
29	Revenues From Merchandising, Jobbing and Contract Work (415)			
30	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)			
31	Revenues From Nonutility Operations (417)			
32	(Less) Expenses of Nonutility Operations (417.1)			
33	Nonoperating Rental Income (418)			
34	Equity in Earnings of Subsidiary Companies (418.1)	119		
35	Interest and Dividend Income (419)		475,540	2,343,379
36	Allowance for Other Funds Used During Construction (419.1)			
37	Miscellaneous Nonoperating Income (421)		(3,990)	2,067
38	Gain on Disposition of Property (421.1)			
39	TOTAL Other Income (Enter Total of lines 29 thru 38)		\$471,550	\$2,345,446
40	Other Income Deductions			
41	Loss on Disposition of Property (421.2)			
42	Miscellaneous Amortization (425)	340		
43	Miscellaneous Income Deductions (426.1-426.5)	340	18,142	31,561
44	TOTAL Other Income Deductions (Total of lines 41 thru 43)		\$18,142	\$31,561
45	Taxes Applic. to Other Income and Deductions			
46	Taxes Other Than Income Taxes (408.2)	262-263		
47	Income Taxes - Federal (409.2)	262-263	337,978	440,814
48	Income Taxes - Other (409.2)	262-263		
49	Provision for Deferred Inc. Taxes (410.2)	234,272-277		
50	(Less) Provision for Deferred Income Taxes - Cr. (411.2)	234,272-277		
51	Investment Tax Credit Adj. - Net (411.5)			
52	(Less) Investment Tax Credits (420)			
53	TOTAL Taxes on Other Income and Deduct. (Total of 46 thru 52)		\$337,978	\$440,814
54	Net Other Income and Deductions (Enter Total of lines 39, 44, 53)		\$115,430	\$1,873,071
55	Interest Charges			
56	Interest on Long-Term Debt (427)		4,882,852	5,307,393
57	Amort. of Debt Disc. and Expense (428)		40,052	40,051
58	Amortization of Loss on Recquired Debt (428.1)			
59	(Less) Amort. of Premium on Debt - Credit (429)			
60	(Less) Amortization of Gain on Recquired Debt - Credit (429.1)			
61	Interest on Debt to Assoc. Companies (430)	340		
62	Other Interest Expense (431)	340	1,138,402	2,047
63	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)			
64	Net Interest Charges (Enter Total of lines 56 thru 63)		\$6,061,306	\$5,349,491
65	Income Before Extraordinary Items (Total of lines 25, 54 and 64)		\$2,108,539	\$2,314,923
66	Extraordinary Items			
67	Extraordinary Income (434)			
68	(Less) Extraordinary Deductions (435)			
69	Net Extraordinary Items (Enter Total of line 67 less Line 68)		0	0
70	Income Taxes-Federal and Other (409.3)	262-263		
71	Extraordinary Items After Taxes (Enter Total of line 69 less line 70)		0	0
72	Net Income (Enter Total of lines 65 and 71)		\$2,108,539	\$2,314,923

STATEMENT OF RETAINED EARNINGS FOR THE YEAR

- | | |
|--|--|
| <p>1. Report all changes in appropriated retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the the year.</p> <p>2. 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).</p> <p>3. State the purpose and amount of each reservation or appropriation of retained earnings.</p> <p>4. 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.</p> | <p>5. Show dividends for each class and series of capital stock.</p> <p>6. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.</p> <p>7. 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.</p> <p>8. If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.</p> |
|--|--|

Line No.	Item (a)	Contra Primary Account Affected (b)	Amount (c)
UNAPPROPRIATED RETAINED EARNINGS (Account 216)			
1	Balance - Beginning of Year		\$2,430,811
2	Changes (Identify by prescribed retained earnings accounts)		
3	Adjustments to Retained Earnings (Account 439)		
4	Credit:		
5	Credit:		
6	Credit:		
7	Credit:		
8	Credit:		
9	TOTAL Credits to Retained Earnings (Acc. 439) (Total of lines 4 thru 8)		
10	Debit:		
11	Debit:		
12	Debit:		
13	Debit:		
14	Debit:		
15	TOTAL Debits to Retained Earnings (Acc. 439) (Total of lines 10 thru 14)		
16	Balance Transferred from Income (Account 433 less Account 418.1)		2,108,539
17	Appropriations of Retained Earnings (Account 436)		
18			0
19			
20			
21			
22	TOTAL Appropriations of Retained Earnings (Acc. 436) (Total of lines 18 thru 21)		0
23	Dividends Declared - Preferred Stock (Account 437)		
24			0
25			
26			
27			
28			
29	TOTAL Dividends Declared - Preferred Stock (Acct. 437) (Total of lines 24 thru 28)		0
30	Dividends Declared - Common Stock (Account 438)		
31			(2,475,000)
32			
33			
34			
35			
36	TOTAL Dividends Declared - Common Stock (Acct. 438) (Total of lines 31 thru 35)		(\$2,475,000)
37	Transfers from Acct. 216.1, Unappropriated Undistributed Subsidiary Earnings		
38	Balance - End of Year (Total of lines 01, 09, 15, 16, 22, 29, 36, and 37)		\$2,064,350

STATEMENT OF RETAINED EARNINGS FOR THE YEAR (Continued)

Line No.	Item (a)	Amount (b)
	<p style="text-align: center;">APPROPRIATED RETAINED EARNINGS (Account 215)</p> <p>State balance and purpose of each appropriated retained earnings amount at end of year and give accounting entries for any applications of appropriated retained earnings during the year.</p>	
39		0
40		
41		
42		
43		
44		
45	TOTAL Appropriated Retained Earnings (Account 215)	0
	<p style="text-align: center;">APPROPRIATED RETAINED EARNINGS-AMORTIZATION RESERVE, FEDERAL (Account 215.1)</p> <p>State below the total amount set aside through appropriations of retained earnings, as of the end of the year, in compliance with the provisions of Federally granted hydroelectric project licenses held by the respondent. If any reductions or changes other than the normal annual credits hereto have been made during the year, explain such items in a footnote.</p>	
46	TOTAL Appropriated Retained Earnings - Amortization Reserve, Federal (Account 215.1)	
47	TOTAL Appropriated Retained Earnings (Account 215, 215.1) (Enter total of lines 45 and 46)	0
48	TOTAL Retained Earnings (Account 215, 215.1, 216) (Enter total of lines 38 and 47)	\$2,064,350
	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (ACCOUNT 216.1)	
49	Balance - Beginning of Year (Debit or Credit)	
50	Equity in Earnings for Year (Credit) (Account 418.1)	
51	(Less) Dividends Received (Debit)	
52	Other Changes (Explain)	
53	Balance - End of Year (Total of Lines 49 Thru 52)	0

Name of Respondent OHIO VALLEY ELECTRIC CORPORATION		This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo., Da., Yr.) 04/30/98	Year of Report Dec. 31, 1997
STATEMENT OF CASH FLOWS				
1. If the notes to the cash flow statement in the respondents annual stockholders report are applicable to this statement, such notes should be included in pages 122-123. Information about noncash investing and financing activities should be provided on pages 122-123. Provide also on pages 122-123 a reconciliation between "Cash and Cash Equivalents at End of Year" with related amounts on the balance sheet.		2. Under "Other" specify significant amounts and group others. 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 on pages 122-123 the amount of interest paid (net of amounts capitalized) and income taxes paid.		
Line No.	Description (See Instruction No. 5 for Explanation of Codes) (a)	Amounts (b)		
1	Net Cash Flow from Operating Activities:			
2	Net Income (Line 72(c) on page 117)	\$2,108,539		
3	Noncash Charges (Credits) to Income:			
4	Depreciation and Depletion			
5	Amortization of (Specify)	40,051		
6	Debt Expense and Discount			
7				
8	Deferred Income Taxes (Net)	(5,754,708)		
9	Investment Tax Credit Adjustment (Net)			
10	Net (Increase) Decrease in Receivables	(4,726,102)		
11	Net (Increase) Decrease in Inventory	3,114,207		
12	Net (Increase) Decrease in Allowances Inventory	(11,333,160)		
13	Net Increase (Decrease) in Payables and Accrued Expenses	7,069,186		
14	Net (Increase) Decrease in Other Regulatory Assets			
15	Net Increase (Decrease) in Other Regulatory Liabilities			
16	(Less) Allowance for Other Funds Used During Construction			
17	(Less) Undistributed Earnings from Subsidiary Companies			
18	Other:Property Taxes applicable to subsequent years	(486,000)		
19	Prepaid Expenses & Other	(4,178,938)		
20				
21				
22	Net Cash Provided by (Used in) Operating Activities (Total of lines 2 thru 21)	(\$14,146,925)		
23				
24	Cash Flows from Investment Activities:			
25	Construction and Acquisition of Plant (Including Land):			
26	Gross Additions to Utility Plant (less nuclear fuel)	(20,317,899)		
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:Reimbursement for Plant Replacements &Additional Facilities	20,729,199		
32				
33				
34	Cash Outflows for Plant (Total of lines 26 thru 33)	\$411,300		
35				
36	Acquisition of Other Noncurrent Assets (d)			
37	Proceeds from Disposal of Noncurrent Assets (d)			
38				
39	Investments in and Advances to Assoc. and Subsidiary Companies	6,061,320		
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)			

STATEMENT OF CASH FLOWS (Continued)

4. Investing Activities

Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed on pages 122-123.

Do not include on this statement the dollar amount of leases capitalized per US of A General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost on pages 122-123.

5. Codes used:

- (a) Net proceeds or payments.
- (b) Bonds, debentures and other long term debt.
- (c) Include commercial paper.
- (d) Identify separately such items as investments, fixed assets, intangibles, etc.

6. Enter on pages 122-123 clarifications and explanations.

Line No.	Description (See Instruction No. 5 for Explanation of Codes) (a)	Amounts (b)
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:	
54		
55		
56	Net Cash Provided by (Used in) Investing Activities	
57	(Total of lines 34 thru 55)	\$6,472,620
58		
59	Cash Flows from Financing Activities:	
60	Proceeds from Issuance of:	
61	Long - Term Debt (b)	0
62	Preferred Stock	
63	Common Stock	
64	Other:	
65		
66	Net Increase in Short - Term Debt (c)	20,000,000
67	Other:	
68		
69		
70	Cash Provided by Outside Sources (Total of lines 61 thru 69)	\$20,000,000
71		
72	Payments for Retirement of:	
73	Long - term Debt (b)	(6,061,320)
74	Preferred Stock	
75	Common Stock	
76	Other:	
77		
78	Net Decrease in Short-Term Debt (c)	(900,000)
79		
80	Dividends on Preferred Stock	
81	Dividends on Common Stock	(2,475,000)
82	Net Cash provided by (Used in) Financing Activities	
83	(Total of lines 70 thru 81)	\$10,563,680
84		
85	Net Increase (Decrease) in Cash and Cash Equivalents	
86	(Total of lines 22, 57, and 83)	\$2,889,375
87		
88	Cash and Cash Equivalents at Beginning of Year	2,435,941
89		
90	Cash and Cash Equivalents at End of Year	5,325,316

Name of Respondent OHIO VALLEY ELECTRIC CORPORATION.	This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/98	Year of Report Dec. 31, 1997
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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.

PAGE 122 INTENTIONALLY LEFT BLANK
SEE PAGE 123 FOR REQUIRED INFORMATION

Name of Respondent OHIO VALLEY ELECTRIC CORPO RATION	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/98	Year of Report Dec. 31, 1997
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NOTES TO FINANCIAL STATEMENTS (Continued)

OVEC-IKEC Power Agreement

Ohio Valley Electric Corporation (OVEC) has a power agreement with its subsidiary company, Indiana-Kentucky Electric Corporation (IKEC), which provides that all power generated by IKEC be sold to OVEC at amounts which will be sufficient to enable IKEC to pay all of its operating and other expenses, including all income and other taxes and any interest and regular amortization requirements applicable to any indebtedness for borrowed funds incurred by IKEC. OVEC also performs various administrative functions for IKEC for which it does not bill IKEC. Accordingly, because of this relationship, the Notes to Financial Statements are presented on a consolidated bases.

OHIO VALLEY ELECTRIC CORPORATION AND SUBSIDIARY COMPANY

NOTES TO FINANCIAL STATEMENTS

(1) Significant Accounting Policies

OVEC follows the Uniform System of accounts prescribed by the Federal Energy Regulatory Commission (FERC). These financial statements have been prepared in accordance with the accounting requirement of the FERC 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. If the accompanying financial statements had been prepared in accordance with generally accepted accounting principles, they would present statments of cash flows and retained earnings for 1996 and there would have been certain classification differences for all years.

The United States of America, acting through the Department of Energy (DOE), has contracted, through December 31, 2005, to purchase power for its Portsmouth, Ohio, uranium enrichment plant from the Companies' facilities, which had a capability of approximately 2,260 megawatts (MW) during 1997 and ranged from 2,240 to 2,260 MW during 1996. Steps taken to comply with the Clean Air Act have resulted in fluctuations of the capability of the Companies' facilities. The contract demand ranged from 937 MW to 1,760 MW during 1997 and 1,305 MW to 1,603 MW during 1996, as provided under the DOE Power Agreement. Effective January 1, 1998, the contract demand was 945 MW.

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NOTES TO FINANCIAL STATEMENTS (Continued)

On July 1, 1993, the uranium enrichment processing responsibilities of the United States Government were transferred from DOE to the United States Enrichment Corporation (USEC). The USEC is a wholly owned government corporation and an agency and instrumentality of the United States of America. OVEC modified the DOE Power Agreement to permit DOE to resell the OVEC power to USEC.

The proceeds from the sale of power to DOE and the sale of power to Sponsoring Companies (according to the terms of the Inter-Company Power Agreement) 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. The rate of return is subject to quarterly adjustment. In addition, the proceeds from power sales include debt amortization (in lieu of depreciation) and interest expense associated with financing. Depreciation expense on the 1997 and 1996 income statements represents an amount equal to debt-service payments for the fuel switching facilities placed into service in 1994. The difference between debt-service payments and straight-line depreciation on these facilities is recorded as deferred depreciation.

Property additions and replacements are charged to utility plant accounts. The 1997 and 1996 costs of certain new or replaced property were billable under the terms of the DOE Power Agreement. Collections for incomplete projects are recorded as customer advances until completion of the related projects. Upon completion, the property is closed to plant in service and the related customer advance amount is transferred to accumulated depreciation. When property is replaced, any net removal cost is charged to DOE with an offsetting entry made to accumulated depreciation and no gain or loss is recognized in the income accounts. Repairs of property are charged to maintenance. Pursuant to the terms of the DOE Power Agreements, the Companies will be reimbursed by DOE for DOE's pro rata share of the ultimate plant closure and related cost.

In 1997, the Companies received approval from the Internal Revenue Service to change their tax method of accounting for certain expenditures relating to plant. Pursuant to this change, the Companies capitalized approximately \$35 million of costs that had been previously expensed for tax purposes. The additional tax associated with this change will be paid over a four-year period and will be recoverable under the terms of the DOE Power Agreement.

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NOTES TO FINANCIAL STATEMENTS (Continued)

The Companies also changed their method of accounting for certain of the above-mentioned expenditures for book purposes. As a result of the change, the Companies capitalized approximately \$25 million of costs that had been previously expensed. The change in accounting did not impact net income as both expense and capital costs are recoverable under the terms of the DOE Power Agreement. The effect of the change was to increase electric utility plant by \$25 million and to record a corresponding credit to accumulated depreciation, recognizing such capital additions were funded.

The Companies have retained approximately \$4.1 million remaining from a net settlement of antitrust damage suits and \$10.6 million of undistributed investment tax credits which will be refunded to DOE and Sponsoring Companies on or before termination of the DOE and Inter-Company Power Agreements.

Approximately 28% of the Companies' employees are covered by a collective bargaining agreement that expires August 31, 1999.

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

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

In 1996, the Companies adopted Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of" (SFAS 121). SFAS 121 requires that long-lived assets and certain identifiable intangibles to be held and used by an entity be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The adoption of SFAS 121 did not have a material impact on the Companies' financial position or results of operations.

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NOTES TO FINANCIAL STATEMENTS (Continued)

(2) Related Party Transactions

Transactions with Sponsoring Companies during 1997 and 1996 included the sale of generated power to them, the purchase of power from them in order to supplement generated power to meet DOE's demand and minor transactions for services and materials. The Companies have a Lease Agreement with Louisville Gas and Electric Company; a Facility Agreement with The Cincinnati Gas & Electric Company; Power Agreements with Louisville Gas and Electric Company, The Cincinnati Gas & Electric Company, The Dayton Power and Light Company, Kentucky Utilities Company and American Electric Power Service Corporation as agent for the American Electric Power System Companies; and Transmission Service Agreements with Louisville Gas and Electric Company, The Cincinnati Gas & Electric Company, The Dayton Power and Light Company, The Toledo Edison Company, Ohio Edison Company, Kentucky Utilities Company and American Electric Power Service Corporation as agent for the American Electric Power System Companies.

Balances due from or to Sponsoring Companies at December 31:

	1997	1996
Accounts receivable	\$8,469,177	\$5,473,020
Accounts payable	401,201	107,451

American Electric Power Company, Inc. and a subsidiary company own 44.2% of the common stock of OVEC. 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:

	1997	1996
General services	\$1,769,783	\$1,637,345
Specific projects	210,405	265,211
	\$1,980,188	\$1,902,556

The services are provided in accordance with the service agreement dated December 15, 1956, between the Companies and the American Electric Power Service Corporation.

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NOTES TO FINANCIAL STATEMENTS (Continued)

(3) Coal Supply

The Companies had a Coal Reserve and Supply Agreement with a nonaffiliated company to provide for financing the coal reserves at the OVEC and IKEC Generating Stations. The provisions of the Agreement included the terms of acquisition, storage and sale, at cost, to the Companies of such coal as needed for consumption. Charges to cover the nonaffiliate's services were \$1,282,423 for 1997 and \$1,217,502 for 1996. The coal owned by the nonaffiliated company is reflected as "Coal Sold Under Agreement to Repurchase" with a corresponding amount reflected as "Coal Purchase Obligation" in the accompanying balance sheets. At December 31, 1997 and 1996, coal sold under agreement to repurchase was \$16,000,000 and \$19,000,000, respectively.

As part of the Companies' Clean Air Act compliance strategy, OVEC terminated one of its coal contracts and reduced the future purchases under another coal contract during 1997. The termination charges of approximately \$3.9 million will be recovered over three years under the terms of the DOE Power Agreement and the Inter-Company Power Agreement. The deferred balance at December 31, 1997 is included in long-term prepaids and other assets.

The Companies have coal supply agreements with certain nonaffiliated companies that expire at various dates from the years 1999 through 2004. Pricing for coal under these contracts is subject to contract provisions and adjustments.

(4) Borrowing Arrangements And Senior Secured Notes

On June 23, 1992, OVEC obtained a \$10 million term loan agreement. As of December 31, 1997 and 1996, there were balances of \$7.6 million and \$8.5 million, respectively, outstanding under the agreement. The agreement expired on January 31, 1998, at which time the Company paid \$500,000 and issued a note for the remaining \$7.1 million. The note bears a fixed interest rate of 6.15625% and matures July 31, 1998.

OVEC had bank lines of credit with borrowing limits of \$25 million in 1997 and 1996. The current lines of credit were renewed in December 1997 and will expire on December 31, 1998. At December 31, 1997, there was \$20 million outstanding on the lines of credit. At December 31, 1996, there was no amount outstanding on the lines of credit. Interest accrues on outstanding borrowings at the bank's fluctuating or fixed base

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NOTES TO FINANCIAL STATEMENTS (Continued)

rate. Interest expense related to lines-of-credit borrowings was \$1,138,390 in 1997 and \$0 in 1996. During 1997 and 1996, OVEC incurred annual service fees of 10 and 12.5 basis points, respectively, based on the borrowing limits of the lines of credit. Subsequent to year-end, OVEC received USEC authorization to extend its short-term borrowing limit to \$50 million.

OVEC financed a portion of the Clean Air Act modifications through the issuance of a private debt placement of \$80 million of senior secured notes (Notes) with several institutional investors. The placement consisted of \$40 million of Series A Notes, bearing interest at a monthly coupon rate of 6.37% per annum, and \$40 million of Series B Notes, bearing interest at a monthly coupon rate of 6.57% per annum. The Notes will mature on December 1, 2005. OVEC used the proceeds from the issuance of the Notes to fund the modifications of the IKEC Generating Station relating to the Clean Air Act Amendments of 1990. Unrequired proceeds of \$0.2 million and investment income of \$1.8 million were returned to note holders by satisfying monthly interest payments and DOE was credited for \$2 million in 1996. The monthly principal and interest payments of \$871,640 are fixed from June 1, 1995 until maturity. The principal and interest payments payable by OVEC are billable to DOE under the terms of the DOE Power Agreement. The principal balance outstanding was \$64.7 million and \$70.7 million as of December 31, 1997 and 1996, respectively. Debt proceeds used to finance construction at IKEC are reflected as noninterest-bearing intercompany advances in the accompanying financial statements.

Principal payments on long-term debt due as of December 31, 1997, are as follows:

Year Ending December 31,	Senior Secured Notes Outstanding
1998	\$ 6,465,320
1999	6,896,200
2000	7,355,880
2001	7,846,120
2002	8,368,960
Thereafter	27,734,040
	\$64,666,520

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NOTES TO FINANCIAL STATEMENTS (Continued)

(5) Irrevocable Letter Of Credit

IKEC established an irrevocable standby letter of credit, effective July 15, 1994, up to an aggregate amount of \$7,668,333 as security for closure and post-closure costs related to the dry fly ash landfill located at IKEC's Generating Station. This letter of credit was established to fulfill financial responsibility requirements under Indiana law. The letter of credit expires July 15, 1998, but automatically will be extended for a period of one year on that and each successive expiration date unless the State of Indiana Department of Environmental Management and IKEC are notified one hundred twenty days prior to the expiration date. IKEC is assessed service fees of three-eighths of one percent of the aggregate amount of the letter of credit. Any site remediation costs would be reimbursable costs under the terms of the DOE Power Agreement.

(6) Federal Income Taxes

OVEC and IKEC file a consolidated Federal income tax return. All current Federal income tax financial reporting entries are recorded on OVEC's books. Deferred taxes, resulting from differences between the tax and book bases of assets and liabilities, have been recorded on a separate company basis.

OVEC and IKEC record deferred tax charges or credits 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 charges or credits are adjusted for future changes in tax rates.

The deferred Federal income tax benefits represent deferred taxes on depreciation differences, as well as a gross-up requirement on the unamortized investment tax credit balance and other miscellaneous timing differences. OVEC and IKEC have recorded offsetting amounts reflected as deferred credit-tax benefits representing the amount of deferred tax assets that may be refunded to DOE and Sponsoring Companies, pursuant to the applicable agreements among the parties, as the deferred tax assets are realized.

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NOTES TO FINANCIAL STATEMENTS (Continued)

A reconciliation of the Federal statutory rate to taxes on income for the years ended December 31 is as follows:

	1997	1996
Tax expense at statutory rate	\$ 2,294,826	\$ 674,214
Tax on replacements and additional facilities, net	(62,275)	(1,097,229)
Tax on method change, net	2,201,486	-
Other items, net	206,922	91,075
Tax expense (benefit) on income Statement	\$ 4,640,959	\$ (331,940)
Effective tax rate	68.8%	(16.7)%

The Companies do not reflect a deferred income tax for the difference between book and tax depreciation on certain assets for which the DOE Power Agreement provides for the flow through of such difference. In 1997, the tax expense includes the effect of the change in accounting for maintenance and repair items (Note 1). In 1996, the tax benefit was a result of the excess of 1995 tax depreciation over 1995 book depreciation reflected in the 1996 rates to DOE.

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NOTES TO FINANCIAL STATEMENTS (Continued)

Federal income tax (benefit) expense for the years ended December 31 consists of the following:

	1997	1996
Federal income tax currently payable (refundable)	\$10,376,202	\$ (605,124)
Increase resulting from:		
Deferred taxes-		
Excess of tax over book depreciation and other	849,751	253,515
Three year phase in for taxes associated with change in accounting method (Note 1)	(6,604,458)	-
Rights-of-way and clearing rights- of-way depreciation not charged against book income	19,464	19,669
Total Federal income tax expense (benefit)	\$ 4,640,959	\$ (331,940)

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NOTES TO FINANCIAL STATEMENTS (Continued)

(7) Pension And Savings Plans

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

Pension expense for 1997 and 1996 was \$786,829 and \$829,182, respectively. Expense is recognized as amounts are contributed to the Plan, and the funding policy is to contribute the maximum amount that can be deducted for Federal income tax purposes. The accumulated difference between recorded pension expense and the yearly net periodic pension expense as calculated under SFAS No. 87 is billable under the DOE Power Agreement when contributed to the pension fund.

The net periodic pension expense as actuarially determined for the years ended December 31, 1997 and 1996, included the following components:

	1997	1996
Service cost - benefits earned during the year	\$ 2,006,548	\$2,158,164
Interest cost on projected benefit obligation	5,910,943	5,665,385
Actual return on Plan assets	(8,183,099)	(4,839,978)
Net amortization and deferral	1,445,591	(1,591,161)
Net periodic pension expense	\$ 1,179,983	\$1,392,410

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NOTES TO FINANCIAL STATEMENTS (Continued)

The Plan's assets consist of individual annuities which were purchased from the inception of the Plan through 1970 and a group annuity contract. The following table sets forth the Plan's funded status and the net accrued pension expense recognized on the balance sheets at December 31, 1997 and 1996:

	1997	1996
Actuarial present value of benefit obligations:		
Vested benefits	\$75,514,950	\$63,953,845
Nonvested benefits	8,713,993	6,810,784
Accumulated benefit obligation	\$84,228,943	\$70,764,629
Plan assets at fair value	\$98,376,361	\$94,282,096
Actuarial present value of projected benefit obligation for service rendered to date	103,681,059	85,379,588
Plan assets in excess of (less than) projected benefit obligation	(5,304,698)	8,902,508
Unrecognized net gain from past experience	(12,220,957)	(26,759,009)
Unrecognized prior service cost	7,773,320	8,536,320
Unrecognized net obligation being amortized over approximately 16 years	(200,000)	(239,000)
Net accrued pension expense	\$(9,952,335)	\$(9,559,181)

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NOTES TO FINANCIAL STATEMENTS (Continued)

The weighted-average discount rates were 6.5% and 7.0%, respectively, at December 31, 1997 and 1996, and the expected long-term rate of return on assets used in determining the actuarial present value of the projected benefit obligation was 7.0% for 1997 and 1996. The rate of increase in future compensation levels was 4.5% in 1997 and 1996.

The full cost of such benefits and related obligations have been allocated to OVEC and IKEC in the accompanying financial statements. The allocated amounts represent approximately a 50% split between OVEC and IKEC as of December 31, 1997, and approximately a 51% and 49% split between OVEC and IKEC as of December 31, 1996, respectively.

The Companies have a trustee defined contribution supplemental pension and savings plan which includes 401(k) features and is available to employees who have met eligibility requirements. Company 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 cost of the savings plan for 1997 and 1996 was \$843,631 and \$791,716, respectively.

(8) Postretirement Health Care And Life Insurance Benefits And Postemployment Benefits

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.

The Companies record the expected cost of postretirement benefits over the service period during which such benefits are earned. The 1992 modification of the DOE Power Agreement provides cost recovery provisions for these accrued postretirement health care and life insurance benefits. As of December 31, 1997 and 1996, the plan was unfunded.

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NOTES TO FINANCIAL STATEMENTS (Continued)

The cost of these benefits for all recipients for 1997 and 1996 was \$3,016,000 and \$2,898,000, respectively. Cash payments for such benefits in 1997 and 1996 for retirees were \$1,243,000 and \$1,318,000, respectively, and were expensed and billed to DOE under the terms of the DOE Power Agreement. The remaining accrued postretirement benefit obligation has been recorded as a deferred liability with a corresponding deferred charge, representing the unrecognized postretirement benefits costs billable in the future under the terms of the DOE Power Agreement.

The postretirement cost components for 1997 and 1996 were as follows:

	1997	1996
Service cost - benefits earned during the period	\$ 848,000	\$ 864,000
Interest cost on service cost and projected benefits obligation	2,201,000	2,034,000
Net gain from earlier periods	(33,000)	-
 Net postretirement benefits cost	 \$ 3,016,000	 \$ 2,898,000

The accrued postretirement benefits liability as of December 31, is as follows:

	1997	1996
Accumulated postretirement benefits obligation:		
Retirees, dependents and surviving spouses	\$14,547,000	\$14,921,000
Active employees fully eligible	1,624,000	1,674,000
Active employees not fully eligible	14,825,000	15,479,000
Total accumulated postretirement benefits obligation	30,996,000	32,074,000
Unrecognized net (loss)/gain	5,842,000	2,991,000
Accrued postretirement benefits liability	\$36,838,000	\$35,065,000

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NOTES TO FINANCIAL STATEMENTS (Continued)

The actuarial assumptions used to determine the accumulated postretirement benefits obligation included weighted-average discount rates of 6.5% and 7.0% at December 31, 1997 and 1996, and the rate increase in future compensation levels was 4.5% at December 31, 1997 and 1996. The assumed health care cost trend rate used in measuring the accumulated postretirement benefits obligation at December 31, 1997, was 10%, gradually declining to 5.5% in 2005 and thereafter. A one-percentage point increase in the health care cost trend rate would increase the 1997 interest and service costs by approximately \$378,000 and the accumulated postretirement benefits obligation as of December 31, 1997, by \$3,440,000.

The full cost of such benefits and related obligations have been allocated to OVEC and IKEC in the accompanying financial statements. The allocated amounts represent approximately a 50% split between OVEC and IKEC as of December 31, 1997, and approximately a 51% and 49% split between OVEC and IKEC as of December 31, 1996, respectively.

In November 1992, the FASB issued SFAS No. 112, "Employers' Accounting for Postemployment Benefits," which requires the Companies to 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 have been allocated to OVEC and IKEC in the accompanying financial statements. The allocated amounts represent approximately 34% and 66% split to OVEC and IKEC as of December 31, 1997, respectively, and approximately 42% and 58% split to OVEC and IKEC as of December 31, 1996, respectively.

The Companies adopted the standard in 1994. The liability is offset with a corresponding deferred charge and represents unrecognized postemployment benefits billable in the future under the terms of the DOE Power Agreement. The accrued cost of such benefits was \$1,229,556 and \$1,265,593 at December 31, 1997 and 1996, respectively.

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NOTES TO FINANCIAL STATEMENTS (Continued)

(9) Environmental Matters

The Clean Air Act Amendments of 1990 required the Companies to reduce their annual sulfur dioxide emissions beginning January 1, 1995. The Companies selected a fuel switching strategy to comply with the emission restrictions. The Companies received \$781,781 and \$466,003 in 1997 and 1996, respectively, from the United States Environmental Protection Agency (U.S. EPA) as a result of the mandatory sale of certain of OVEC's and IKEC's sulfur dioxide (SO₂) emission allowances. The sale of allowance proceeds were recorded as a deferred credit on the financial statements as of December 31, 1996. In 1997, these amounts were recorded against SO₂ allowance purchases. In 1996, OVEC purchased \$2,850,000 in SO₂ allowances in order to remain in compliance with emission restrictions for 1996. In 1997, OVEC purchased \$18,748,800 in SO₂ allowances for vintage years 2003 and prior. The cost of such allowances are inventoried and included on an average cost basis in the cost of fuel consumed when used. The average cost of unused SO₂ allowances at December 31, 1997 and 1996 is \$11,365,357 and \$32,197, respectively.

The generation of electricity involves the use of materials and the creation of by-products that are environmentally regulated. The Companies have incurred substantial costs over the years to store and dispose of these materials and by-products. The capital expenditures, operating expenses and closure costs are recoverable under the terms of the DOE and Inter-Company Power Agreements. New environmental laws and regulations could result in significant additional costs to the Companies to maintain compliance.

On December 19, 1996, the U.S. EPA issued final Title IV NOX regulations. These regulations established the NOX emission limits which must be met by January 1, 2000. In order to meet the NOX regulations, the Companies have begun an estimated \$18.3 million capital project of combustion control modifications. The ultimate cost of compliance may increase as the Companies further evaluate the systems and technology requirements.

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(10) Disclosures About Fair Value Of Financial Instruments

Statement of Financial Accounting Standards No. 107 (SFAS 107) 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 required under SFAS 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 temporary cash investments, current receivables, current payables, and certain other short-term financial instruments are all short term in nature, their carrying amounts approximate fair value. The fair value of the senior secured notes was estimated using discounted cash flow analyses based on current incremental borrowing rates for similar types of borrowing arrangements.

	1997	1996
Fair value	\$64,857,710	\$67,996,634
Recorded value	64,666,520	70,727,840

(11) Operating Lease

OVEC has entered into an operating lease to secure railcars for the transportation of coal in connection with the fuel switching modifications at the IKEC Generating Station. The basic term of the lease extends through December 30, 2005, with semiannual lease payments beginning June 30, 1995.

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Future minimum lease payments for operating leases as of December 31, 1997, are as follows:

Year Ending December 31,	Total
1998	\$ 1,877,072
1999	1,877,072
2000	1,877,072
2001	1,877,072
2002	1,877,072
Thereafter	5,631,216
Total future minimum lease Payments	\$15,016,576

The annual lease cost incurred was \$2,067,316 and \$2,113,820 for 1997 and 1996, respectively.

(12) 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.

(13) Accounting Pronouncement Not Yet Effective

In 1997, the Financial Accounting Standards Board (FASB) issued SFAS No. 130, "Reporting Comprehensive Income." This statement establishes standards for reporting and display of comprehensive income and its components. SFAS No. 130 is effective for fiscal years beginning after December 15, 1997. The Companies will adopt SFAS No. 130 in 1998. Management does not expect that the adoption of the statement will have a material impact on the financial statements.

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SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION				
Line No.	Item (a)	Total (b)	Electric (c)	
1	UTILITY PLANT			
2	In Service			
3	Plant in Service (Classified)	\$289,590,770	\$289,590,770	
4	Property Under Capital Leases			
5	Plant Purchased or Sold			
6	Completed Construction not Classified			
7	Experimental Plant Unclassified			
8	TOTAL (Enter Total of lines 3 thru 7)	\$289,590,770	\$289,590,770	
9	Leased to Others			
10	Held for Future Use			
11	Construction Work in Progress	2,067,308	2,067,308	
12	Acquisition Adjustments			
13	TOTAL Utility Plant (Enter total of lines 8 thru 12)	\$291,658,078	\$291,658,078	
14	Accum. Prov. for Depr., Amort., & Depl.	286,058,153	286,058,153	
15	Net Utility Plant (Enter Total of line 13 less 14)	\$5,599,925	\$5,599,925	
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION			
17	In Service:			
18	Depreciation	286,058,153	286,058,153	
19	Amort. and Depl. of Producing Natural Gas Land and Land Rights	0		
20	Amort. of Underground Storage Land and Land Rights	0		
21	Amort. of Other Utility Plant	0		
22	TOTAL In Service (Enter Total of lines 18 thru 21)	\$286,058,153	\$286,058,153	
23	Leased to Others			
24	Depreciation			
25	Amortization and Depletion			
26	TOTAL Leased to Others (Enter Total of lines 24 and 25)	0		
27	Held for Future Use			
28	Depreciation			
29	Amortization			
30	TOTAL Held for Future Use (Enter Total of lines 28 and 29)	0		
31	Abandonment of Leases (Natural Gas)			
32	Amort. of Plant Aquisition Adj.	0		
33	TOTAL Accumulated Provisions (Should agree with line 14 above) (Enter total of lines 22,26,30,31 and 32)	\$286,058,153	\$286,058,153	

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Date of Report
(Mo. Da. Yr.)
04/30/98

Year of Report
Dec. 31, 1997

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.
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ELECTRIC PLANT IN SERVICE (Accounts 101,102,103,and 106)

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|--|---|
| <p>1. Report below the original cost of electric plant in service according to the prescribed accounts.</p> <p>2. 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.</p> <p>3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.</p> <p>4. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.</p> <p>5. Classify Account 106 according to prescribed ac-</p> | <p>counts, 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) reversals of tentative distributions of prior year of unclassified retirements. Show in a footnote the account distributions of these tentative classifications in columns (c) and (d), including the</p> |
|--|---|

Line No.	Account (a)	Balance at Beginning of Year (b)	Addition (c)
1	1. INTANGIBLE PLANT		
2	(301) Organization	\$18,924	
3	(302) Franchises and Consents	0	
4	(303) Miscellaneous Intangible Plant	0	
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	402,745	0
9	(311) Structures and Improvements	35,214,110	44,342
10	(312) Boiler Plant Equipment	120,879,802	5,537,349
11	(313) Engines and Engine-Driven Generators	0	0
12	(314) Turbogenerator Units	37,914,906	15,518,410
13	(315) Accessory Electric Equipment	16,082,999	60,748
14	(316) Misc. Power Plant Equipment	7,950,780	238,799
15	TOTAL Steam Production Plant (Enter Total of lines 8 thru 14)	\$218,445,342	\$21,399,648
16	B. Nuclear Production Plant		
17	(320) Land and Land Rights	0	0
18	(321) Structures and Improvements	0	0
19	(322) Reactor Plant Equipment	0	0
20	(323) Turbo generator Units	0	0
21	(324) Accessory Electric Equipment	0	0
22	(325) Misc. Power Plant Equipment	0	0
23	TOTAL Nuclear Production Plant (Enter Total of lines 17 thru 22)	0	0
24	C. Hydraulic Production Plant		
25	(330) Land and Land Rights	0	0
26	(331) Structures and Improvements	0	0
27	(332) Reservoirs, Dams, and Waterways	0	0
28	(333) Water Wheels, Turbines, and Generators	0	0
29	(334) Accessory Electric Equipment	0	0
30	(335) Misc. Power Plant Equipment	0	0
31	(336) Roads, Railroads, and Bridges	0	0
32	TOTAL Hydraulic Production Plant (Enter Total of lines 25 thru 31)	0	0
33	D. Other Production Plant		
34	(340) Land and Land Rights	0	0
35	(341) Structures and Improvements	0	0
36	(342) Fuel Holders, Products, and Accessories	0	0
37	(343) Prime Movers	0	0
38	(344) Generators	0	0
39	(345) Accessory Electric Equipment	0	0

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

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.

6. 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. In showing the clearance of Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in col-

umn (f) only the offset to the debits or credits distributed in column (f) to primary account classifications.

7. 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 requirements of these pages.

8. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchaser, 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 of such filing.

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
					1
0	0		\$18,924	(301)	2
0	0		0	(302)	3
0	0		0	(303)	4
0	0		\$18,924		5
					6
					7
0	0		402,745	(310)	8
0	0		35,258,452	(311)	9
271,789	0		126,145,362	(312)	10
0	0		0	(313)	11
973,125	0		52,460,191	(314)	12
126,632	0		16,017,115	(315)	13
27,801	0	(2,113)	8,159,665	(316)	14
\$1,399,347	0	(\$2,113)	\$238,443,530		15
					16
0			0	(320)	17
0	0		0	(321)	18
0	0		0	(322)	19
0	0		0	(323)	20
0	0		0	(324)	21
0	0		0	(325)	22
0	0		0		23
					24
0	0		0	(330)	25
	0		0	(331)	26
0	0		0	(332)	27
0	0		0	(333)	28
0	0		0	(334)	29
0	0		0	(335)	30
0	0		0	(336)	31
0	0		0		32
					33
0	0		0	(340)	34
0	0		0	(341)	35
0	0		0	(342)	36
0	0		0	(343)	37
0	0		0	(344)	38
0	0		0	(345)	39

Name of Respondent OHIO VALLEY ELECTRIC CORPORATION		This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo., Da., Yr.) 04/30/98	Year of Report Dec. 31, 1997
ELECTRIC PLANT IN SERVICE (Accounts 101,102,103,and 106)(Continued)				
Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)	
40	(346) Misc. Power Plant Equipment			
41	TOTAL Other Prod. Plant (Enter Total of lines 34 thru 40)	0	0	
42	TOTAL Prod. Plant (Enter Total of lines 15, 23, 32, and 41)	\$218,445,342	\$21,399,648	
43	3. TRANSMISSION PLANT			
44	(350) Land and Land Rights	1,979,740		
45	(352) Structures and Improvements	743,605		
46	(353) Station Equipment	17,433,510		
47	(354) Towers and Fixtures	12,642,213		
48	(355) Poles and Fixtures			
49	(356) Overhead Conductors and Devices	12,689,634		
50	(357) Underground Conduit			
51	(358) Underground Conductors and Devices			
52	(359) Roads and Trails			
53	TOTAL Transmission Plant (Enter Total of lines 44 thru 52)	\$45,488,702		
54	4. DISTRIBUTION PLANT			
55	(360) Land and Land Rights			
56	(361) Structures and Improvements			
57	(362) Station Equipment			
58	(363) Storage Battery Equipment			
59	(364) Poles, Towers, and Fixtures			
60	(365) Overhead Conductors and Devices			
61	(366) Underground Conduit			
62	(367) Underground Conductors and Devices			
63	(368) Line Transformers			
64	(369) Services			
65	(370) Meters			
66	(371) Installations on Customer Premises			
67	(372) Leased Property on Customer Premises			
68	(373) Street Lighting and Signal Systems			
69	TOTAL Distribution Plant (Enter Total of lines 55 thru 68)			
70	5. GENERAL PLANT			
71	(389) Land and Land Rights	24,762		
72	(390) Structures and Improvements	1,070,891	156,289	
73	(391) Office Furniture and Equipment	673,481	85,471	
74	(392) Transportation Equipment	693,619	260,403	
75	(393) Stores Equipment	591	0	
76	(394) Tools, Shop and Garage Equipment	421,795	2,173	
77	(395) Laboratory Equipment	477,181	745	
78	(396) Power Operated Equipment	0	0	
79	(397) Communication Equipment	1,992,053	0	
80	(398) Miscellaneous Equipment	0	0	
81	SUBTOTAL (Enter Total of lines 71 thru 80)	\$5,354,373	\$505,081	
82	(399) Other Tangible Property	0	0	
83	TOTAL General Plant (Enter Total of lines 81 and 82)	\$5,354,373	\$505,081	
84	TOTAL (Accounts 101 and 106) (lines 5,15,23,32,41,53,69,83)	\$269,307,341	\$21,904,729	
85	(102) Electric Plant Purchased (See Instr. 8)			
86	(Less) (102) Electric Plant Sold (See Instr. 8)			
87	(103) Experimental Plant Unclassified			
88	TOTAL Electric Plant in Service (Enter Total of lines 84 thru 87)	\$269,307,341	\$21,904,729	

Name of Respondent
OHIO VALLEY ELECTRIC CORPORATION

This Report Is:
(1) An Original
(2) A Resubmission

Date of Report
(Mo, Da, Yr)
04/30/98

Year of Report
Dec. 31, 1997

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

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of year (g)		Line No.
			0	(346)	40
0	0	0	0		41
\$1,399,347	0	(\$2,113)	\$238,443,530		42
					43
			1,979,740	(350)	44
			743,605	(352)	45
			17,433,510	(353)	46
			12,642,213	(354)	47
				(355)	48
			12,689,634	(356)	49
				(357)	50
				(358)	51
				(359)	52
			\$45,488,702		53
					54
				(360)	55
				(361)	56
				(362)	57
				(363)	58
				(364)	59
				(365)	60
				(366)	61
				(367)	62
				(368)	63
				(369)	64
				(370)	65
				(371)	66
				(372)	67
				(373)	68
			0		69
					70
			24,762	(389)	71
12,422			1,214,758	(390)	72
69,699			689,253	(391)	73
137,566			816,456	(392)	74
0			591	(393)	75
153			423,815	(394)	76
0			477,926	(395)	77
0			0	(396)	78
0			1,992,053	(397)	79
0			0	(398)	80
\$219,840			\$5,639,614		81
			0	(399)	82
\$219,840	0	0	\$5,639,614		83
\$1,619,187	0	(\$2,113)	\$289,590,770		84
			0	(102)	85
			0		86
			0	(103)	87
\$1,619,187	0	(\$2,113)	\$289,590,770		88

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) 04/30/98	Year of Report Dec. 31, 1997
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CONSTRUCTION WORK IN PROGRESS--ELECTRIC (Account 107)

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

Line No.	Description of Project (a)	Construction Work in Progress-Electric (Account 107) (b)
1	North Flyash Pond closure	\$389,136
2		
3	Financial Accounting System	573,032
4		
5	Turbine Supervisory Instrumentation-Unit 3	233,580
6		
7	Ten Generator Hydrogen Purity Monitoring Systems	142,277
8		
9	Solid State Battery Chargers-All Units	141,395
10		
11	Turbine Supervisory Instrumentation-Units 2 & 4	226,445
12		
13	Other projects less than \$100,000 (54)	361,443
14		
15		
16		
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42		
43	TOTAL	\$2,067,308

Name of Respondent OHIO VALLEY ELECTRIC CORPORATION	This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo., Da., Yr) 04/30/98	Year of Report Dec. 31, 1997
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CONSTRUCTION OVERHEADS-ELECTRIC

1. List in column (a) the kinds of overheads according to the titles used by the respondent. Charges for outside professional services for engineering fees and management or supervision fees capitalized should be shown as separate items.

lain on page 218 the accounting procedures, employed and the amounts of engineering, supervision and administrative costs, etc. which are directly charged to construction.

2. On page 218 furnish information concerning construction overheads.

4. Enter on this page engineering, supervision, administrative, and allowance for funds used during construction, etc., which are first assigned to a blanket work order and then prorated to construction jobs.

3. A respondent should not report "none" to the page if no overhead apportionments are made, but rather should exp-

Line No.	Description of Overhead (a)	Total Amount Charged for the Year (b)
1		
2		
3	Construction Overheads	31,797
4		
5		
6		
7		
8		
9		
10		
11		
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41		
42		
43		
44		
45		
46	TOTAL	\$31,797

GENERAL DESCRIPTION OF CONSTRUCTION OVERHEAD PROCEDURE

1. For each construction overhead explain: (a) the nature and extent of work, etc. the overhead charges are intended to cover, (b) the general procedure for determining the amount capitalized, (c) the method of distribution to construction jobs, (d) whether different rates are applied to different types of construction, (e) basis of differentiation in rates for different types of construction, and (f) whether the overhead is directly or indirectly assigned.

2. Show below the computation of allowance for funds used during construction rates, in accordance with the provisions of Electric Plant Instructions 3(17) of the U.S. of A.

3. Where a net-of-tax rate for borrowed funds is used, show the appropriate tax effect adjustment to the computations below in a manner that clearly indicates the amount of reduction in the gross rate for tax effects.

1. (a) Construction overheads are used to recover costs of a minor nature which would result in a condition that the cost of recording would exceed the cost of the item. The overhead rates recover costs associated with the use of small tools, storeroom expense, miscellaneous supplies, payroll taxes and insurance, paid absence and administrative labor for processing construction work orders.
- (b) Overhead rates are applied to total labor costs.
- (c) Overhead amounts are charged to the construction work order and credited to expense.
- (d) No.
- (e) Not Applicable.
- (f) Directly

2. & 3. Not Applicable

COMPUTATION OF ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION RATES

For line 1(5), column (d) below, enter the rate granted in the last rate proceeding. If such is not available, use the average rate earned during the preceding three years.

1. Components of Formula (Derived from actual book balances and actual cost rates):

Line No.	Title (a)	Amount (b)	Capitalization Ratio(Percent) (c)	Cost Rate Percentage (d)
(1)	Average Short-Term Debt	S		
(2)	Short-Term Interest			s
(3)	Long-Term Debt	D		d
(4)	Preferred Stock	P		p
(5)	Common Equity	C		c
(6)	Total Capitalization		100%	
(7)	Average Construction Work in Progress Balance	W		

2. Gross Rate for Borrowed Funds $s(\frac{S}{W}) + d(\frac{D}{D+P+C})(1 - \frac{S}{W})$

3. Rate for Other Funds $[1 - \frac{S}{W}] [p(\frac{P}{D+P+C}) + c(\frac{C}{D+P+C})]$

4. Weighted Average Rate Actually Used for the Year:

- a. Rate for Borrowed Funds -
- b. Rate for Other Funds -

ACCUMULATED PROVISION FOR DEPRECIATION OF ELECTRIC UTILITY PLANT (Account 108)

- | | |
|---|---|
| <p>1. Explain in a footnote any important adjustments during year.</p> <p>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 (d), excluding retirements of non-depreciable property.</p> <p>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.</p> | <p>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.</p> <p>4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.</p> |
|---|---|

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	\$265,770,023	\$265,770,023		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense				
4	(413) Exp. of Elec. Plt. Leas. to Others				
5	Transportation Expenses—Clearing				
6	Other Clearing Accounts				
7	Other Accounts (Specify):	19,464	19,464		
8	*	0	0		
9	Total Deprec. Prov. for Year (Enter Total of lines 3 thru 8)	\$19,464	\$19,464		
10	Net Charges for Plant Retired:				
11	Book Cost of Plant Retired	(1,619,187)	(1,619,187)		
12	Cost of Removal	(17,366)	(17,366)		
13	Salvage (Credit)	26,778	26,778		
14	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 11 thru 13)	(\$1,609,775)	(\$1,609,775)		
15	Other Debit or Cr. Items (Describe):	0	0		
16	Reserve-Replace & Add'l Facilities	21,878,441	21,878,441		
17	Balance End of Year (Enter Total of lines 1, 9, 14, 15, and 16)	\$286,058,153	\$286,058,153		

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

18	Steam Production	238,146,103	238,146,103		
19	Nuclear Production				
20	Hydraulic Production-Conventional				
21	Hydraulic Production-Pumped Storage				
22	Other Production				
23	Transmission	42,297,198	42,297,198		
24	Distribution				
25	General	5,614,852	5,614,852		
26	TOTAL (Enter Total of lines 18 thru 25)	\$286,058,153	\$286,058,153		

< Page 219 Line 8 Column a >

Account 236, to reflect a reduction in Federal Income Tax liability resulting from the allowance for tax purposes only, of depreciation on right-of-way and clearing costs.

INVESTMENTS IN SUBSIDIARY COMPANIES (Account 123.1)

1. Report below investments in Accounts 123.1, Investments in Subsidiary Companies.

2. Provide a subheading for each company and list thereunder the information called for below. Sub_total by company and give a total in columns (e),(f),(g) and (h).

(a) Investment in Securities - List and describe each security owned. For bonds give also principal amount, date of issue, maturity and interest rate .

(b) 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.

3. Report separately the equity in undistributed subsidiary earnings since acquisition. The total in column(e) should equal the amount entered for Account 418.1.

Line No.	Description of Investment (a)	Date Acquired (b)	Date of Maturity (c)	Amount of Investment at Beginning of Year (d)
1	Indiana-Kentucky Electric Corporation			
2	Common Stock without par value, 17,000 shares			
3	5 shares	10/09/52		1,000
4	995 shares	11/19/52		199,000
5	2500 shares	01/16/53		500,000
6	2000 shares	03/06/53		400,000
7	2000 shares	04/14/53		400,000
8	2500 shares	05/20/53		500,000
9	2000 shares	06/30/53		400,000
10	5000 shares	07/17/53		1,000,000
11	SUBTOTAL			3,400,000
12				
13	Advances to Subsidiary Company-			
14	Construction Open account	06/29/93	12/01/05	70,549,005
15	SUBTOTAL			70,549,005
16				
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42	TOTAL Cost of Account 123.1 \$			67,887,685
			TOTAL	\$73,949,005

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 for 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
0	0	1,000	0	3
0	0	199,000	0	4
0	0	500,000	0	5
0	0	400,000	0	6
0	0	400,000	0	7
0	0	500,000	0	8
0	0	400,000	0	9
0	0	1,000,000	0	10
0	0	3,400,000	0	11
				12
				13
0	0	64,487,685	0	14
0	0	64,487,685	0	15
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0	0	\$67,887,685	0	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) 04/30/98	Year of Report Dec. 31, 1997
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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)	\$14,989,016	\$11,896,643	Electric
2	Fuel Stock Expenses Undistributed (Account 152)	0	0	
3	Residuals and Extracted Products (Account 153)	0	0	
4	Plant Materials and Operating Supplies (Account 154)			
5	Assigned to - Construction (Estimated)	0	0	
6	Assigned to - Operations and Maintenance	0	0	
7	Production Plant (Estimated)	9,809,685	9,828,568	Electric
8	Transmission Plant (Estimated)	499,121	458,404	Electric
9	Distribution Plant (Estimated)	0	0	
10	Assigned to - Other	0	0	
11	TOTAL Account 154 (Enter Total of lines 5 thru 10)	\$10,308,806	\$10,286,972	
12	Merchandise (Account 155)	0	0	
13	Other Materials and Supplies (Account 156)	0	0	
14	Nuclear Materials Held for Sale (Account 157) (Not applicable to Gas Utilities)	0	0	
15	Stores Expense Undistributed (Account 163)	0	0	
16				
17				
18				
19				
20	TOTAL Materials and Supplies (Per Balance Sheet)	\$25,297,822	\$22,183,615	

Name of Respondent OHIO VALLEY ELECTRIC CORPORATION	This Report Is: (1) [x] An Original (2) [] A Resubmission	Date of Report (Mo. Da. Yr.) 04/30/98	Year of Report Dec. 31, 1997
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Allowances (Accounts 158.1 and 158.2)

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

Line No.	Allowances Inventory (Account 158.1) (a)	Current Year		1998		
		No. (b)	Amt. (c)	No. (d)	Amt. (e)	
01	Balance-Beginning of Year	*	2,141.00	\$31,760	0	0
02 03 04	Acquired During Year: Issued (Less Withheld Allow.)		90,749.00	0	90,749.00	0
05	Returned by EPA					
06 07 08	Purchases/Transfers: SO2 Transfer from IKEC		21,025.00		0	0
09	SO2 Purchase from					
10	American Coal Sales Co.		99,000.00	9,820,800	15,000.00	1,488,000
11						
12						
13						
14						
15	Total		120,025.00	\$9,820,800	15,000.00	\$1,488,000
16 17 18	Relinquished During Year: Charges to Account 509		111,419.00	5,754,378	0	0
19	Other:		0	0	0	0
20						
21 22	Cost of Sales/Transfers:		0	0	0	0
23						
24						
25						
26						
27						
28	Total		0	0	0	0
29	Balance-End of Year		101,496.00	\$4,098,182	105,749.00	\$1,488,000
30 31 32	Sales: Net Sales Proceeds (Assoc. Co.)					
33	Net Sales Proceeds (Other)					
34	Gains					
35	Losses					
	Allowances Withheld (Account 158.2)					
36	Balance-Beginning of Year		0	0	0	0
37	Add: Withheld by EPA		2,451.00	0	2,451.00	0
38	Deduct: Returned by EPA		0	0	0	0
39	Cost of Sales		2,451.00	0	0	0
40	Balance-End of Year		0	0	2,451.00	0
41 42 43	Sales: Net Sales Proceeds (Assoc. Co.)		0	0	0	0
44	Net Sales Proceeds (Other)		2,451.00	270,483	0	0
45	Gains			270,483		
46	Losses					

Allowances (Accounts 158.1 and 158.2) (Continued)

issued allowances. Report withheld portions lines 36-40

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/transferees of allowances acquired 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 and 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 & 43-46 the net sales proceeds and gains or losses from allowance sales.

1999		1900		Future Years		Totals		Line No.
No. (f)	Amt. (g)	No. (h)	Amt. (i)	No. (j)	Amt. (k)	No. (l)	Amt. (m)	
0	0	0	0	7,038.00	\$437	9,179.00	\$32,197	01
90,749.00	0	38,821.00	0	935,559.00	0	1,246,627.00	0	02 03 04
						0		05
0	0	0	0	0	0	21,025.00	0	06 07 08
								09
15,000.00	1,488,000	17,500.00	1,736,000	42,500.00 *	2,554,738	189,000.00	17,087,538	10
								11
								12
								13
								14
15,000.00	\$1,488,000	17,500.00	\$1,736,000	42,500.00	\$2,554,738	210,025.00	\$17,087,538	15
0	0	0	0	0	0	111,419.00	5,754,378	16 17 18
0	0	0	0	0	0	0	0	19
								20
0	0	0	0	0	0	0	0	21 22
								23
								24
								25
								26
								27
0	0	0	0	0	0	0	0	28
105,749.00	\$1,488,000	56,321.00	\$1,736,000	985,097.00	\$2,555,175	1,354,412.00	\$11,365,357	29
								30 31 32
								33
								34
								35
0	0	0	0	0	0	0	0	36
2,451.00	0	567.00	0	25,560.00	0	33,480.00	0	37
0	0	0	0	0	0	0	0	38
0	0	0	0	566.00	0	3,017.00	0	39
2,451.00	0	567.00	0	24,994.00	0	30,463.00	0	40
0	0	0	0	0	0	0	0	41 42 43
0	0	0	0	566.00	70,960	3,017.00	341,443	44
					70,960	0	341,443	45
								46

< Page 228 Line 1 Column b >

Line 1 column b has been changed from 1,000 to 2,141 to reflect a change in the number of allowances relinquished during 1996. The number of allowances relinquished to the EPA for 1996 was changed from 124,740 to 123,599.

< Page 229 Line 10 Column k >

Line 10 column k reflects the use of the gains from EPA Net Sale Proceeds from 1995, 1996 and 1997 totaling \$1,661,262 to repurchase allowances.

MISCELLANEOUS DEFERRED 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 items (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)	CREDIT		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1	Federal income tax resulting					
2	from difference between					
3	book and tax depreciation					
4	created by antitrust settlement					
5	refunds for the years 1965					
6	through 1969	1,254,464	0		0	1,254,464
7						
8	Unrecognized Pension Expense,					
9	per SFAS 87	4,882,830	136,133			5,018,963
10						
11	Unrecognized postretirement	17,741,000	597,000			18,338,000
12						
13						
14	Unrecognized Employment Benefit					
15	Expense, per SFAS 112	533,117	0	253	117,310	415,807
16						
17	Relocate Transmission Tower	4,090	190,073			194,163
18						
19	Unamortized Coal Contract					
20	Termination cost 48 Month Life	0	3,900,000	401	981,965	2,918,035
21						
22						
23						
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26						
27						
28						
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36						
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43						
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45						
46						
47	Misc. Work in Progress	14,810				78,158
48	DEFERRED REGULATORY COMM. EXPENSES (See pages 350-351)					
49	TOTAL	\$24,430,311				\$28,217,590

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) 04/30/98	Year of Report Dec. 31, 1997
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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.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Balance at End of Year (c)
1	Electric		
2	Book Depreciation in excess of tax depreciation	\$15,115,400	0
3			
4			
5	Future FIT benefits, per SFAS 109	10,988,110	14,899,921
6	1997 Change in Accounting Method: 4 Year Phase-in	0	6,604,458
7	Other		
8	TOTAL Electric (Enter Total of lines 2 thru 7)	\$26,103,510	\$21,504,379
9	Gas		
10			
11			
12			
13			
14			
15	Other		
16	TOTAL Gas (Enter Total of lines 10 thru 15)		
17	Other		
18	TOTAL (Acct 190)(Total of lines 8,16 and 17)	\$26,103,510	\$21,504,379

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) 04/30/98	Year of Report Dec. 31, 1997
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CAPITAL STOCK (Accounts 201 and 204)

1. 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.

2. 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 Exchange (a)	Number of Shares Authorized By Charter (b)	Par or Stated Value Per Share (c)	Call Price at End of Year (d)
1	Common	300,000	\$100.00	
2				
3	Preferred-None authorized, issued or outstanding			
4				
5				
6				
7				
8				
9				
10				
11				
12				
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42				

CAPITAL STOCK (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 noncumulative.

5. State in a footnote if any capital stock which has been nominally issued is nominally outstanding at end of year. Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purposes of pledge.

OUTSTANDING PER BALANCE SHEET (Total amount outstanding without reduction for amounts held by respondent.)		HELD BY RESPONDENT				Line No.
		AS REACQUIRED STOCK (Account 217)		IN SINKING AND OTHER FUNDS		
Shares (e)	Amount (f)	Shares (g)	Cost (h)	Shares (i)	Amount (j)	
100,000	\$10,000,000	0	0	0	0	1
						2
						3
						4
						5
						6
						7
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						42

Name of Respondent OHIO VALLEY ELECTRIC CORPORATION	This Report Is: (1) [] An Original (2) [X] A Resubmission	Date of Report (Mo, Da, Yr) 04/30/98	Year of Report Dec. 31, 1997
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LONG-TERM DEBT (Accounts 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	0	
2			
3	222.Required Bonds	0	
4			
5	223.Advances from Associated Companies	0	
6			
7	224.Other Long-Term Debt:		
8	Term Loan Agreement	7,600,000	
9	Rate 6.31250%(See Note 1 Below)		
10			
11	* Senior Secured Notes(Series A) for	40,000,000	341,557
12	compliance with Clean Air		
13	Act of 1990. Rate 6.37%.		
14	(See Note 2 Below)		
15			
16	* Senior Secured Notes(Series B) for	40,000,000	150,000
17	compliance with Clean Air		
18	Act of 1990. Rate 6.57%.		
19	(See Note 2 Below)		
20			
21	SUBTOTAL	87,600,000	491,557
22			
23			
24			
25	1.These amounts are recorded as long-term debt due in one year (current liability)		
26	Authorization SEC 35-25552 and Ohio PUCO 92-712-EL-AIS		
27			
28	2.Authorization SEC 35-25818 and Ohio PUCO 93-682-EL-AIS		
29			
30			
31			
32			
33	TOTAL	\$87,600,000	\$491,557

LONG-TERM DEBT (Accounts 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 amortization debited to Account 428, Amortization of Debt Discount and Expense, or credited to Account 429, Amortization of Premium on Debt - Credit.

12. In a footnote, give explanatory particulars (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) principal 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
07/31/97	01/31/98			7,600,000	484,372	8
						9
06/29/93	12/01/05	06/01/95	12/01/05	32,298,800	2,163,360	10
						11
						12
						13
						14
						15
12/14/93	12/01/05	06/01/95	12/01/05	32,367,720	2,235,120	16
						17
						18
						19
						20
				72,266,520	4,882,852	21
						22
						23
						24
						25
						26
						27
						28
						29
						30
						31
				\$72,266,520	\$4,882,852	32
						33

< Page 256 Line 11 Column a >

Authorization SEC 35-25552 and Ohio PUCO 92-712-EL-AIS. These amounts are recorded as long-term debt due in one year (current liability), see page 112, line 32.

< Page 256 Line 16 Column a >

Authorization SEC 35-25818 and Ohio PUCO 93-682-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) 04/30/98	Year of Report Dec. 31, 1997
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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 members, 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)	\$2,108,539
2	Reconciling Items for the Year	
3		
4	Taxable Income Not Reported on Books	
5	Construction work-in-progress billed customers	2,830,715
6	Change in accounting method for 1997	25,899,837
7		
8		
9	Deductions Recorded on Books Not Deducted for Return	
10		
11	*	4,736,868
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	Depreciation of rights-of-way and clearing costs	(57,248)
21	Depreciation of property	(5,379,019)
22		
23		
24		
25		
26		
27	Federal Tax Net Income	30,139,692
28	Show Computation of Tax:	
29		
30	Federal tax net income	30,139,692
31	Tax rate	34
32	Federal income tax	10,247,495
33		
34	Rights-of-way and clearing amortization not charged to FIT expense	19,464
35	Miscellaneous adjustments	(1,799)
36	Alternative Minimum Tax-1996	130,507
37		
38	1997 Federal income tax expense per books(409.1 + 409.2)	10,395,667
39		
40		
41	*Note: Ohio valley Electric Corporation filed a consolidated federal tax return for 1997	
42	which included the taxable income of its wholly owned subsidiary, Indiana-Kentucky Electric	
43	Corporation.	
44		

< Page 261 Line 11 Column a >

Federal Income Tax per books (409.1+409.2+410.1+411.1)	4,640,960
Employment Taxes	(5,684)
Accrued vacation	(51,927)
Business meals	59,999
Penalties	15,182
Property taxes	78,338
Subtotal	4,736,868

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.

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.

2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes).

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	161,116	0	1,400,195	1,457,241	
3	Unemployment	16,465	0	16,812	23,356	
4	Environmental			0	0	
5	Income Tax	(1,885,551)	0	10,375,370	1,580,000	
6	Excise Tax			1,800	1,800	
7	SUBTOTAL	(1,707,970)	0	11,794,177	3,062,397	0
8						
9	OHIO:					
10	Unemployment	4,116	0	5,814	7,448	
11	Excise		0	10	10	
12	SUBTOTAL	4,116	0	5,824	7,458	0
13						
14	Property					
15	--1994			(38,086)	(947)	
16	--1995			(38,150)	(978)	
17	--1996	3,616,578		(1,817)	3,614,761	
18	--1997	3,600,000		155,028	0	
19	--1998			4,086,000	0	
20	SUBTOTAL	7,216,578	0	4,162,975	3,612,836	0
21						
22	KENTUCKY:					
23	Income Tax					
24	--1995	(299)	0	0	(299)	
25	--1996	1,700	0	(1,740)	0	
26	--1997		0	253	0	
27	SUBTOTAL	1,401	0	(1,487)	(299)	0
28						
29	Property					
30	--1996	470	0	0	0	
31	--1997		0	43,722	44,610	
32	SUBTOTAL	470	0	43,722	44,610	0
33						
34	Other					
35	KY Vehicle Tax			27	27	
36						
37						
38						
39						
40						
41	TOTAL	\$5,514,595	0	\$16,005,238	\$6,727,029	0

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 footnote. Designate debit adjustments by parentheses.

7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.

8. Report in columns (i) through (l) how the taxes were distributed. Report in column (i) only the amounts charged to Accounts 408.1 and 409.1 pertaining to electric operations. Report in column (l) the amounts charged to Accounts 408.1 and 409.1 pertaining to other utility departments and amounts charged to Accounts 408.2 and 409.2. Also show 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)	Adjustment to Ret. Earnings (Account 439) (k)	Other (l)	Line No.	
						1	
104,070	0	1,297,291	0	0	* 102,904	2	
9,921	0	15,968	0	0	* 844	3	
0	0	0	0	0	0	4	
6,909,819	0	10,057,689	0	0	* 317,681	5	
0	0	1,800	0	0	0	6	
7,023,810	0	11,372,748	0	0	421,429	7	
						8	
						9	
2,482	0	5,419	0	0	* 395	10	
0	0	10	0	0	0	11	
2,482	0	5,429	0	0	395	12	
						13	
						14	
(37,139)	0	(38,086)	0	0	0	15	
(37,172)	0	(38,150)	0	0	0	16	
0	0	(1,817)	0	0	0	17	
3,755,028	0	3,755,028	0	0	* (3,600,000)	18	
4,086,000	0	0	0	0	* 4,086,000	19	
7,766,717	0	3,676,975	0	0	486,000	20	
						21	
						22	
						23	
0	0	0	0	0	0	24	
(40)	0	(1,740)	0	0	0	25	
253	0	253	0	0	0	26	
213	0	(1,487)	0	0	0	27	
						28	
						29	
470	0	0	0	0	0	30	
(888)	0	43,722	0	0	0	31	
(418)	0	43,722	0	0	0	32	
						33	
						34	
		27	0	0	0	35	
						36	
						37	
						38	
						39	
						40	
\$14,792,804	0	\$15,097,414	0	0	\$907,824	41	

< Page 263 Line 2 Column 1 >

Apportioned to Accounts 107, 108.2, 142 and 143 through overhead rates applied to labor charged to work orders and to Account 401 on basis of payroll distribution.

< Page 263 Line 3 Column 1 >

Apportioned to Accounts 107, 108.2, 142 and 143 through overhead rates applied to labor charged to work orders and to Account 401 on basis of payroll distribution.

< Page 263 Line 5 Column 1 >

Charged to accounts 190, 282, 409.2.

< Page 263 Line 10 Column 1 >

Apportioned to accounts 107, 108.2, 142 and 143 through overhead rates applied to labor charged to work orders and to Account 401 on basis of payroll distribution.

< Page 263 Line 18 Column 1 >

Charged Account 174 in 1996 and cleared to Account 408 during 1997.

< Page 263 Line 19 Column 1 >

Charged to Account 174 in 1997.

Name of Respondent OHIO VALLEY ELECTRIC CORPORATION		This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission		Date of Report (Mo. Da. Yr.) 04/30/98		Year of Report Dec. 31, 1997	
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%	10,610,318					
6							
7							
8	TOTAL	\$10,610,318					
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							
23							
24							
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34							
35							
36							
37							
38							
39							
40							
41							
42							
43							
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.) 04/30/98	Year of Report Dec. 31, 1997
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
10,610,318 *					5
					6
\$10,610,318					7
					8
					9
					10
					11
					12
					13
					14
					15
					16
					17
					18
					19
					20
					21
					22
					23
					24
					25
					26
					27
					28
					29
					30
					31
					32
					33
					34
					35
					36
					37
					38
					39
					40
					41
					42
					43
					44
					45
					46
					47
					48

< Page 267 Line 5 Column i >

During the 13.2-year period ending in 1992, OVEC flowed through to its customers ITC benefits. OVEC requested, and recieved, an IRS opinion stating that remaining ITC Benefits will not be subject to ratable flow-through methods after 1992. Therefore, OVEC plans to retain the ITC benefits until a future date, which will not extend beyond the expiration of OVEC's customers' contracts.

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) 04/30/98	Year of Report Dec. 31, 1997
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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 of 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	Federal Income Tax Benefits, per SFAS 109	10,989,213	0	0	3,763,057	14,752,270
4	Postemployment Benefit Obligations, per SFAS 112	533,117	186.6	117,310	0	415,807
7	Pension PLAN Obligation in Excess of assets, per SFAS 87	4,882,830		0	136,133	5,018,963
10	Antitrust Settlements Pending Final Disposition	2,771,812		0		2,771,812
13	Proceeds from sale of Sulfur Dioxide Allowances	384,116	158.11	725,559	341,443	0
16	Postretirement Benefit Obligations, per SFAS 106	17,741,000		0	597,000	18,338,000
47	TOTAL	\$37,302,088		\$842,869	\$4,837,633	\$41,296,852

Name of Respondent OHIO VALLEY ELECTRIC CORPORATION	This Report is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo., Da., Yr) 04/30/98	Year of Report Dec. 31, 1997
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ACCUMULATED DEFERRED INCOME TAXES -- OTHER PROPERTY (Account 282)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to property not subject to accelerated amortization.
 2. For Other (Specify), include deferrals relating to other

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 282			
2	Electric	\$16,447,095	\$1,828,867	\$15,945,762
3	Gas			
4	Other (Define)			
5	TOTAL (Enter Total of lines 2 thru 4)	\$16,447,095	\$1,828,867	\$15,945,762
6	Other (Specify)			
7				
8				
9	TOTAL Account 282 (Enter Total of lines 5 thru 8)	\$16,447,095	\$1,828,867	\$15,945,762
10	Classification of TOTAL			
11	Federal Income Tax			
12	State Income Tax			
13	Local Income Tax			

NOTES

Name of Respondent ORTO 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.) 04/30/98	Year of Report Dec. 31, 1997
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ACCUMULATED DEFERRED INCOME TAXES -- OTHER PROPERTY (Account 282) (Continued)

income and deductions.

3. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
						\$2,330,200	1
							2
							3
							4
						\$2,330,200	5
							6
							7
							8
						\$2,330,200	9
							10
							11
							12
							13

NOTES(Continued)

ELECTRIC OPERATING REVENUES (Account 400)

1. Report below operating revenues for each prescribed account, and manufactured gas revenues in total.

2. 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.

3. If increases or decreases from previous year (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	
		Amount for Year (b)	Amount for Previous Year (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)	217,474,409	223,789,842
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	\$217,474,409	\$223,789,842
11	(447) Sales for Resale	\$83,198,407	\$88,128,059
12	TOTAL Sales of Electricity	\$300,672,816	\$311,917,901
13	(Less) (449.1) Provision for Rate Refunds		
14	TOTAL Revenues Net of Prov. for Refunds	\$300,672,816	\$311,917,901
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	400,080	400,080
20	(455) Interdepartmental Rents		
21	(456) Other Electric Revenues	387,214	405,159
22			
23			
24			
25			
26	TOTAL Other Operating Revenues	\$787,294	\$805,239
27	TOTAL Electric Operating Revenues	\$301,460,110	\$312,723,140

Name of Respondent OHIO VALLEY ELECTRIC CORPORATION	This Report Is: (1) <input type="checkbox"/> An Original. (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo. Da. Yr) 04/30/98	Year of Report Dec. 31, 1997
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ELECTRIC OPERATING REVENUES (Account 400)(Continued)

4. 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.)

5. See pages 108-109, Important Changes During Year, for important new territory added and important rate increases or decreases.

6. For lines 2,4,5,and 6, see page 304 for amounts relating to unbilled revenue by accounts.

7. Include unmetered sales. Provide details of such sales in a footnote.

MEGAWATT HOURS SOLD		AVG. NO. CUSTOMERS PER MONTH		Line No.
Amount for Year (d)	Amount for Previous Year (e)	Number for Year (f)	Number for Previous Year (g)	
				1
				2
				3
				4
11,202,767	12,190,522	1	1	5
				6
				7
				8
				9
11,202,767	12,190,522	1	1	10
5,128,183	5,342,601	15	15	11
16,330,950	17,533,123	16	16	12
				13
16,330,950	17,533,123	16	16	14

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

Name of Respondent OHIO VALLEY ELECTRIC CORPORATION	This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo. Day / Yr) 04/30/98	Year of Report Dec. 31, 1997
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SALES OF ELECTRICITY BY RATE SCHEDULES

1. Report below for each rate schedule in effect during the year the MWh of electricity sold, revenue, average number of customers, average KWh per customer, and average revenue per KWh, excluding data 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," pages 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 classifica-

tion (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 Power Agreement (DOE) Rate Schedule FPC No.1-A Commercial and Industrial Sales (Account 442)	11,202,767	217,474,409	1	11,202,767,000	1.9412¢
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
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24						
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26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41	Total Billed					
42	Total Unbilled Rev.(See Instr. 6)					
43	TOTAL	11,202,767	\$217,474,409	1	11,202,767,000	1.9412¢

*KWH changed to MWH

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) 04/30/98	Year of Report Dec. 31, 1997
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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 seller 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						
2	SUBTOTAL-RQ					
3	* NOTE 1					
4	Appalachian Power Company	OS	FPC 1-B	NA	NA	NA
5	Cincinnati Gas & Electric Company	OS	FPC 1-B	NA	NA	NA
6	Columbus Southern Power Company	OS	FPC 1-B	NA	NA	NA
7	The Dayton Power and Light Company	OS	FPC 1-B	NA	NA	NA
8	Indiana-Michigan Power Company	OS	FPC 1-B	NA	NA	NA
9	Kentucky Utilities Company	OS	FPC 1-B	NA	NA	NA
10	Louisville Gas and Electric Company	OS	FPC 1-B	NA	NA	NA
11	Monogahela Power Company	OS	FPC 1-B	NA	NA	NA
12	Ohio Edison Company	OS	FPC 1-B	NA	NA	NA
13	Ohio Power Company	OS	FPC 1-B	NA	NA	NA
14	Pennsylvania Power Company	OS	FPC 1-B	NA	NA	NA

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) 04/30/98	Year of Report Dec. 31, 1997
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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 (g) 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 megawatthours 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 totalled 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.

Megawatthours Sold (g)	REVENUE			Total (\$) (h+i+j) (k)	Line No.
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
					1
0	0	0	0	0	2
					3
331,469	799,391	5,137,665		5,937,056	4
90,510	(102,465)	1,363,023		1,260,558	5
304,197	1,370,692	4,206,218		5,576,910	6
501,669	3,023,172	6,715,448		9,738,620	7
917,152	3,820,610	10,024,388		13,844,998	8
35,422	14	470,099		470,113	9
392,443	1,429,937	4,102,886		5,532,823	10
214,010	509,597	2,844,165		3,353,762	11
950,555	3,622,948	11,253,936		14,876,884	12
327,373	794,202	5,380,706		6,174,908	13
130,508	505,391	1,529,792		2,035,183	14

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 seller 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	The Potomac Edison Company	OS	FPC 1-B	NA	NA	NA
2	Southern Indiana Gas And Electric Compy	OS	FPC 1-B	NA	NA	NA
3	The Toledo Edison Company	OS	FPC 1-B	NA	NA	NA
4	West Penn Power Company	OS	FPC 1-B	NA	NA	NA
5	SUBTOTAL-NON-RQ					
6						
7						
8						
9						
10						
11						
12						
13						
14						

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 (g) 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 megawatthours 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 subtotalled based on the RQ/Non-RQ grouping (see instruction 4), and then totalled 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.

Megawatthours Sold (g)	REVENUE			Total (\$) (h+i+j) (k)	Line No.
	Demand Charges (\$) (h)	Energy Charges (\$) (i)	Other Charges (\$) (j)		
122,292	\$295,416	\$1,610,446		\$1,905,862	1
19,257	(14,475)	215,132		200,657	2
363,303	1,645,376	3,817,874		5,463,250	3
428,023	1,030,316	5,796,506		6,826,822	4
5,128,183	18,730,122	64,468,284	0	83,198,406	5
					6
					7
					8
					9
					10
					11
					12
					13
					14

NOTE 1: Power sold pursuant to an Inter-Company Power Agreement among Ohio Valley Electric Corporation (OVEC) and Sponsoring Companies (Sponsors) provides, among other things, that any power and energy generated by OVEC and its subsidiary company, Indiana-Kentucky Electric Corporation, not required to be delivered to the United States Department of Energy, shall be made available to Sponsors. The Sponsors or their parent corporations are shareholders of OVEC.

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) 04/30/98	Year of Report Dec. 31, 1997
ELECTRIC OPERATION AND MAINTENANCE EXPENSES					
If the amount for previous year is not derived from previously reported figures, explain in footnotes.					
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		\$1,071,121	\$825,631	
5	(501) Fuel		92,801,172	91,879,429	
6	(502) Steam Expenses		3,166,816	3,047,203	
7	(503) Steam from Other Sources				
8	(Less) (504) Steam Transferred--Cr.				
9	(505) Electric Expenses		1,756,405	2,031,638	
10	(506) Miscellaneous Steam Power Expenses		3,214,478	3,222,125	
11	(507) Rents			0	
12	(509) Allowance		5,754,378	2,818,239	
13	TOTAL Operation (Enter Total of Lines 4 thru 12)		\$107,764,370	\$103,824,265	
14	Maintenance				
15	(510) Maintenance Supervision and Engineering		\$204,343	\$365,297	
16	(511) Maintenance of Structures		971,852	1,440,722	
17	(512) Maintenance of Boiler Plant		9,999,776	9,089,460	
18	(513) Maintenance of Electric Plant		3,344,671	4,781,773	
19	(514) Maintenance of Miscellaneous Steam Plant		476,709	537,911	
20	TOTAL Maintenance (Enter Total of Lines 15 thru 19)		\$14,997,351	\$16,215,163	
21	TOTAL Power Production Expenses--Steam Power (Enter Total of lines 13 and 20)		\$122,761,721	\$120,039,428	
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--Nuclear Power (Enter total of lines 33 and 40)		0	0	
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)				

Name of Respondent OHIO VALLEY ELECTRIC CORPORATION		This Report Is: () [x] An Original (2) [] A Resubmission	Date of Report (Mo, Da, Yr) 04/30/98	Year of Report Dec. 31, 1997
ELECTRIC OPERATION AND MAINTENANCE EXPENSES(Continued)				
Line No.	Account (a)		Amount for Current Year (b)	Amount for Previous Year (c)
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(Enter total of lines 50 and 58)		0	0
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 Total of lines 67 and 73)		0	0
75	E. Other Power Supply Expenses			
76	(555) Purchased Power		\$148,963,104	\$171,033,440
77	(556) System Control and Load Dispatching			
78	(557) Other Expenses			
79	TOTAL Other Power Supply Expenses (Enter Total of lines 76 thru 78)		\$148,963,104	\$171,033,440
80	TOTAL Power Production Expenses (Enter Total of lines 21,41,59,74, and 79)		\$271,724,825	\$291,072,868
81	2. TRANSMISSION EXPENSES			
82	Operation			
83	(560) Operation Supervision and Engineering		\$240,452	\$215,257
84	(561) Load Dispatching		456,322	530,016
85	(562) Station Expenses		659,955	492,996
86	(563) Overhead Lines Expenses		430,946	387,833
87	(564) Underground Lines Expenses			
88	(565) Transmission of Electricity by Others			
89	(566) Miscellaneous Transmission Expenses		75,734	75,076
90	(567) Rents			
91	TOTAL Operation (Enter Total of lines 83 thru 90)		\$1,863,409	\$1,701,178
92	Maintenance			
93	(568) Maintenance Supervision and Engineering		\$67,103	\$62,552
94	(569) Maintenance of Structures		56,855	29,489
95	(570) Maintenance of Station Equipment		95,320	502,948
96	(571) Maintenance of Overhead Lines		135,350	3,594
97	(572) Maintenance of Underground Lines			
98	(573) Maintenance of Miscellaneous Transmission Plant		75,504	83,088
99	TOTAL Maintenance (Enter Total of lines 93 thru 98)		\$430,132	\$681,671
100	TOTAL Transmission Expenses (Enter Total of lines 91 and 99)		\$2,293,541	\$2,382,849
101	3. DISTRIBUTION EXPENSES			
102	Operation			
103	(580) Operation Supervision and Engineering			

Name of Respondent OHIO VALLEY ELECTRIC CORPORATION		This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo. Da. Yr) 04/30/98	Year of Report Dec. 31, 1997
ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)				
Line No.	Account (a)		Amount for Current Year (b)	Amount For Previous Year (c)
104	3. DISTRIBUTION Expenses (Continued)			
105	(581) Load Dispatching			
106	(582) Station Expenses			
107	(583) Overhead Line Expenses			
108	(584) Underground Line Expenses			
109	(585) Street Lighting and Signal System Expenses			
110	(586) Meter Expenses			
111	(587) Customer Installations Expenses			
112	(588) Miscellaneous Expenses			
113	(589) Rents			
114	TOTAL Operation (Enter Total of lines 103 thru 113)		0	0
115	Maintenance			
116	(590) Maintenance Supervision and Engineering			
117	(591) Maintenance of Structures			
118	(592) Maintenance of Station Equipment			
119	(593) Maintenance of Overhead Lines			
120	(594) Maintenance of Underground Lines			
121	(595) Maintenance of Line Transformers			
122	(596) Maintenance of Street Lighting and Signal Systems			
123	(597) Maintenance of Meters			
124	(598) Maintenance of Miscellaneous Distribution Plant			
125	TOTAL Maintenance (Enter Total of lines 116 thru 124)			
126	TOTAL Distribution Expenses (Enter Total of lines 114 and 125)		0	0
127	4. CUSTOMER ACCOUNTS EXPENSES			
128	Operation			
129	(901) Supervision			
130	(902) Meter Reading Expenses			
131	(903) Customer Records and Collection Expenses			
132	(904) Uncollectible Accounts			
133	(905) Miscellaneous Customer Accounts Expenses			
134	TOTAL Customer Accounts Expenses (Enter Total of lines 129 thru 133)			
135	5. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES			
136	Operation			
137	(907) Supervision			
138	(908) Customer Assistance Expenses			
139	(909) Information and Instructional Expenses			
140	(910) Miscellaneous Customer Service and Information Expenses			
141	TOTAL Cust. Service and Informational Exp. (Enter Total of lines 137 thru 140)			
142	6. SALES EXPENSES			
143	Operation			
144	(911) Supervision			
145	(912) Demonstrating and Selling Expenses			
146	(913) Advertising Expenses			
147	(916) Miscellaneous Sales Expenses			
148	TOTAL Sales Expenses (Enter Total of lines 144 thru 147)			
149	7. ADMINISTRATIVE AND GENERAL EXPENSES			
150	Operation			
151	(920) Administrative and General Salaries		\$2,136,970	\$1,939,416
152	(921) Office Supplies and Expenses		592,889	657,181
153	(Less) (922) Administrative Expenses Transferred--Credit		12,528	1,249

Name of Respondent OHIO VALLEY ELECTRIC CORPORATION		This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo., Da., Yr.) 04/30/98	Year of Report Dec. 31, 1997
ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)				
Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)	
154	7. ADMINISTRATIVE AND GENERAL EXPENSES (Continued)			
155	(923) Outside Services Employed	\$2,798,330	\$1,924,525	
156	(924) Property Insurance	342,175	36,859	
157	(925) Injuries and Damages	304,975	235,253	
158	(926) Employee Pensions and Benefits	3,064,749	3,685,548	
159	(927) Franchise Requirements			
160	(928) Regulatory Commission Expenses	562,126	515,163	
161	(929) (Less) Duplicate Charges--Cr.		11,740	
162	(930.1) General Advertising Expenses			
163	(930.2) Miscellaneous General Expenses	210,326	177,154	
164	(931) Rents			
165	TOTAL Operation (Enter Total of lines 151 Thru 164)	\$10,000,012	\$9,158,110	
166	Maintenance			
167	(935) Maintenance of General Plant	\$44,610	\$45,465	
168	TOTAL Administrative and General Expenses (Enter total of lines 165 thru 167)	\$10,044,622	\$9,203,575	
169	TOTAL Electric Operation and Maintenance Expenses (Enter total of lines 80, 100, 126, 134, 141, 148 and 168)	\$284,062,988	\$302,659,292	

NUMBER OF ELECTRIC DEPARTMENT EMPLOYEES	
1. The data on number of employees should be reported for the payroll period ending nearest to October 31, or any payroll period ending 60 days before or after October 31.	construction employees in a footnote.
2. If the respondent's payroll for the reporting period includes any special construction personnel, include such employees on line 3, and show the number of such special	3. The number of employees assignable to the electric department from joint functions of combination utilities may be determined by estimate, on the basis of employee equivalents. Show the estimated number of equivalent employees attributed to the electric department from joint functions.
1. Payroll Period Ended (Date)	10/17/97
2. Total Regular Full-Time Employees	393
3. Total Part-Time and Temporary Employees	
4. Total Employees	393

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) 04/30/98	Year of Report Dec. 31, 1997
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PURCHASED POWER (Account 555)
(Including power exchanges)

- 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.
- 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.
- 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 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 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 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.

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 (d)	Actual Demand(MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	* NOTE 1 & 5					
2	Indiana-Kentucky Electric Corporation	OS	FPC 1-B	NA	NA	NA
3	* NOTE 2 & 6					
4	Appalachian Power Company	OS	FPC 1-B	NA	NA	NA
5	* NOTE 3					
6	The Cincinnati Gas & Electric Company	OS	FPC 1-B	NA	NA	NA
7	* NOTE 3 & 4					
8	Columbus Southern Power Company	OS	FPC 1-B	NA	NA	NA
9	NOTE 3					
10	The Dayton Power and Light Company	OS	FPC 1-B	NA	NA	NA
11	NOTE 3					
12	Indiana-Michigan Power Company	OS	FPC 1-B	NA	NA	NA
13	NOTE 3					
14						

Name of Respondent OHIO VALLEY ELECTRIC CORPORATION	This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo. Da. Yr) 04/30/98	Year of Report Dec. 31, 1997
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PURCHASED POWER (Account 555) (Continued)
(Including power exchanges)

OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all nonfirm 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.

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 nonFERC 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 services 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 column (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 (1) 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.

Megawatthours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	Megawatthours Received (h)	Megawatthours Delivered (i)	Demand Charges (\$) (j)	Energy Charges (\$) (k)	Other Charges (\$) (l)	Total (j+k+l) of Settlement (\$) (m)	
8,794,501					* 148,198,053	148,198,053	1
					*		2
2,397					51,361	51,361	3
							4
1,652					32,623	32,623	5
							6
672					14,361	14,361	7
							8
9,493					164,612	164,612	9
							10
1,214					26,086	26,086	11
							12
							13
							14

PURCHASED POWER (Account 555)
(Including power exchanges)

1. Report all power purchases made during the year. (so 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 projected 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 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 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.

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 (d)	Actual Demand(MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	Kentucky Utilities Company	OS	FPC 1-B	NA	NA	NA
2	NOTE 3					
3	Louisville Gas and Electric Company	OS	FPC 1-B	NA	NA	NA
4	NOTE 3 & 4					
5	Ohio Edison Company	OS	FPC 1-B	NA	NA	NA
6	NOTE 3					
7	Ohio Power Company	OS	FPC 1-B	NA	NA	NA
8	NOTE 3					
9	Pennsylvania Power Company	OS	FPC 1-B	NA	NA	NA
10	NOTE 3					
11	Southern Indiana Gas and Electric Comy	OS	FPC 1-B	NA	NA	NA
12	NOTE 3					
13	The Toledo Edison Company	OS	FPC 1-B	NA	NA	NA
14	NOTE 3					

Name of Respondent
OHIO VALLEY ELECTRIC CORPORATION

This Report Is:
(1) An Original
(2) A Resubmission

Date of Report
(Mo, Da, Yr)
04/30/98

Year of Report
Dec. 31, 1997

PURCHASED POWER (Account 555) (Continued)
(Including power exchanges)

OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all nonfirm 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.

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 nonFERC 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 services 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 column (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 (1) 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.

Megawatthours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	Megawatthours Received (h)	Megawatthours Delivered (i)	Demand Charges (\$) (j)	Energy Charges (\$) (k)	Other Charges (\$) (l)	Total (j+k+l) of Settlement (\$) (m)	
1,076					\$20,658	\$20,658	1
17,754					273,637	273,637	2
822					12,427	12,427	3
3,979					102,313	102,313	4
176					2,902	2,902	5
678					10,832	10,832	6
369					7,633	7,633	7
							8
							9
							10
							11
							12
							13
							14

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) 04/30/98	Year of Report Dec. 31, 1997
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**PURCHASED POWER (Account 555)
(Including power exchanges)**

- 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.
- 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.
- 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 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 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 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.

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 (d)	Actual Demand(MW)	
					Average Monthly NCP Demand (e)	Average Monthly CP Demand (f)
1	West Penn Power Company	OS	FPC 1-B	NA	NA	NA
2	NOTE 3					
3	TOTAL					
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						

Name of Respondent
OHIO VALLEY ELECTRIC CORPORATION

This Report Is:
(1) An Original
(2) A Resubmission

Date of Report
(Mo, Da, Yr)
04/30/98

Year of Report
Dec. 31, 1997

PURCHASED POWER (Account 555) (Continued)
(Including power exchanges)

OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all nonfirm 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.

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.

In column (c), identify the FERC Rate Schedule Number or Tariff, or, for nonFERC 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.

For requirements RQ purchases and any type of services 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 column (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 (1) 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.

Megawatthours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	Megawatthours Received (h)	Megawatthours Delivered (i)	Demand Charges (\$) (j)	Energy Charges (\$) (k)	Other Charges (\$) (l)	Total (j+k+l) of Settlement (\$) (m)	
2,395					\$45,606	\$45,606	1
							2
8,837,178	0	0	0	0	148,963,104	148,963,104	3
							4
							5
							6
							7
							8
							9
							10
							11
							12
							13
							14

< Page 327 Line 1 Column 1 >

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

< Page 327 Line 3 Column 1 >

NOTE 2: An Inter-Company Power Agreement, dated July 10, 1953, between Ohio Valley Electric Corporation (OVEC) and Sponsoring Companies (Sponsors) provides for, among other things, the purchase of Supplemental Power. The Sponsors or their parent corporations are shareholders of OVEC.

< Page 326 Line 5 Column a >

NOTE 3: Supplemental Power as defined in Power Agreement between Ohio Valley Electric Corporation and the United States of America acting by and through the United States Atomic Energy Commission, dated October 15, 1952, as amended.

< Page 326 Line 7 Column a >

NOTE 4: Arranged Power as defined in Power Agreement between Ohio Valley Electric Corporation and the United States of America acting by and through the United States Atomic Energy Commission, dated October 15, 1952, as amended.

< Page 327 Line 1 Column 1 >

NOTE 5: 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.

< Page 327 Line 3 Column 1 >

NOTE 6: Aggregate of settlements for the year paid by Ohio Valley Electric Corporation for supplemental Power as defined in section 2.04 and for arranged Power as defined in Section 2.08 of the Power agreement between Ohio Valley Electric Corporation and Atomic Energy Commission, as amended.

Name of Respondent ORIO 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) 04/30/98	Year of Report Dec. 31, 1997
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TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)
(Including transactions referred to as "wheeling")

- Report all transmission of electricity, i. e. wheeling, provided for other electric utilities, cooperatives, municipalities, other public authorities, qualifying facilities, non-traditional utility suppliers and ultimate customers.
- Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).
- Report in column (a) the company or public authority that paid for the transmission service. Report in column(b) the company or public authority that the energy was received from and in column (c) the company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate or truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation the respondent has with the entities listed in columns (a), (b) or (c).
- In column(d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows:

LF - for long-term firm transmission service. "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 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.

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

Line No.	Payment By (Company or Public Authority) [Footnote Affiliations] (a)	Energy Received From (Company or Public Authority) [Footnote Affiliations] (b)	Energy Delivered To (Company or Public Authority) [Footnote Affiliations] (c)	Statistic Classifi- cation (d)
1	* Louisville Gas & Electric Company (1)	* Louisville Gas & Electric(1)	* Indiana Michigan Power(1)	SF
2		Indiana Michigan Power(1)	Louisville Gas & Electric Co.(1)	
3		Louisville Gas & Electric Co.(1)	Dayton Power & Light Co.(1)	
4		Dayton Power & Light Co.(1)	Louisville Gas & Electric Co.(1)	
5	Duke/Louis/Dreyfus, LLC	Louisville Gas & Electric Co.(1)	American Electric Power Co.(1)	SF
6				
7	Enron Power Marketing	Louisville Gas & Electric Co.(1)	American Electric Power Co.(1)	SF
8				
9	Koch Energy Trading	Louisville Gas & Electric Co.(1)	American Electric Power Co.(1)	SF
10				
11	Vitol Gas & Electric Company, L.C.C.	Louisville Gas & Electric Co.(1)	American Electric Power Co.(1)	SF
12				
13	Sonat Power Marketing, L.P.P.	American Electric Power Co.(1)	Louisville Gas & Electric Co.(1)	SF
14		Dayton Power & Light Co.(1)	Louisville Gas & Electric Co.(1)	
15		Kentucky Utilities Co.(1)	Dayton Power & Light Co.(1)	
16		Louisville Gas & Electric Co.(1)	American Electric Power Co.(1)	
17		Louisville Gas & Electric Co.(1)	Dayton Power & Light Co.(1)	

Name of Respondent OHIO VALLEY ELECTRIC CORPORATION	This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/98	Year of Report Dec. 31, 1997
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TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued)
(Including transactions referred to as "wheeling")

OS - for other transmission service. Use this category only for those services which cannot be placed in the above-defined categories, such as all nonfirm transmission service, regardless of the length of the contract. 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.

5. In column (e), identify the FERC Rate Schedule or Tariff Number. On separate lines, list all FERC rate schedules or contract designations under which service,

as identified in column (d), is provided.
6. Report receipt and delivery locations for all single contract path, "point to point" transmission service. In column (f), report the designation for the substation, or other appropriate identification for where energy was received as specified in the contract. In column (g) report the designation for the substation, or other appropriate identification for where energy was delivered as specified in the contract.
7. Report in column(h) the number of megawatts of billing demand that is specified in the firm transmission service contract. Demand reported in column (h) must be in megawatts. Footnote any demand not stated on a megawatts basis and explain.

FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Substation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY		Line No.
				Megatthours Received (i)	Megatthours Delivered (j)	
FERC 6	* Clifty Creek Sub-station of Indiana-Kentucky Elect.Corp.	* Clifty Creek&Dear-born Substations of Indiana-Kentucky Electric Corp. (2)		299,373	295,072	1
						2
	(2)					3
FERC 6	SAME	SAME		128	128	4
						5
FERC 6	SAME	SAME		3,904	3,814	6
						7
FERC 6	SAME	SAME		500	316	8
						9
FERC 6	SAME	SAME		30	30	10
						11
FERC 6	SAME	SAME		6,973	6,849	12
						13
						14
						15
						16
						17

Name of Respondent OHIO VALLEY ELECTRIC CORPORATION	This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo. Da. Yr) 02/30/98	Year of Report Dec. 31, 1997
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TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued)

(Including transactions referred to as "wheeling")

8. Report in column (i) and (j) the total megawatthours received and delivered.
9. In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge

- shown on bills rendered to the entity listed in column (a). If no monetary settlement was made, enter zero ("0") in column(n). Provide a footnote explaining the nature of the nonmonetary settlement, including the amount and type of energy or service rendered.
10. Provide total amounts in column (i) through (n) as the last line. Enter "TOTAL" in column (a) as the last line. The total amounts in columns (i) and (j) must be reported as Transmission Received and Delivered on page 401, lines 16 and 17, respectively.
11. Footnote entries and provide explanations following all required data.

REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS

Demand Charges (\$) (k)	Energy Charges (\$) (l)	Other Charges (\$) (m)	Total revenues(\$) (k+l+m) (n)	Line No.
\$217,670	\$118,029		\$335,699	1
				2
				3
160	51		211	4
4,173	1,526		5,699	6
398	126		524	8
38	12		50	10
8,630	2,740		11,370	12
			0	14
				15
				16
				17

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) 04/30/98	Year of Report Dec. 31, 1997
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TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)
(Including transactions referred to as "wheeling")

1. Report all transmission of electricity, i. e. wheeling, provided for other electric utilities, cooperatives, municipalities, other public authorities, qualifying facilities, non-traditional utility suppliers and ultimate customers.
2. Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).
3. Report in column (a) the company or public authority that paid for the transmission service. Report in column(b) the company or public authority that the energy was received from and in column (c) the company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate or truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation the respondent has with the entities listed in columns (a), (b) or (c).

4. In column(d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows:

LF - for long-term firm transmission service. "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 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.

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

Line No.	Payment By (Company or Public Authority) [Footnote Affiliations] (a)	Energy Received From (Company or Public Authority) [Footnote Affiliations] (b)	Energy Delivered To (Company or Public Authority) [Footnote Affiliations] (c)	Statistic Classification (d)
1	Federal Energy Sales, Incorporated	American Electric Power co.(1)	Louisville Gas & Electric Co.(1)	SF
2				
3	Dayton Power & Light(1)	Louisville Gas & Electric Co.(1)	Dayton Power & Light Co.(1)	SF
4		Dayton Power & Light Co.(1)	Louisville Gas & Electric Co.(1)	
5		Kentucky Utilities Co.(1)	Dayton Power & Light Co.(1)	
6		Louisville Gas & Electric Co.(1)	American Electric Power Co.(1)	
7				
8	American Electric Power Co.(1)	Louisville Gas & Electric Co.(1)	American Electric Power Co.(1)	SF
9				
10	Southern Energy Trading	Louisville Gas & Electric Co.(1)	Dayton Power & Light Co.(1)	SF
11				
12				
13				
14				
15	TOTAL			
16				
17				

TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued)
(Including transactions referred to as "wheeling")

OS - for other transmission service. Use this category only for those services which cannot be placed in the above-defined categories, such as all nonfirm transmission service, regardless of the length of the contract. 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.

5. In column (e), identify the FERC Rate Schedule or Tariff Number. On separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (d), is provided.

6. Report receipt and delivery locations for all single contract path, "point to point" transmission service. In column (f), report the designation for the substation, or other appropriate identification for where energy was received as specified in the contract. In column (g) report the designation for the substation, or other appropriate identification for where energy was delivered as specified in the contract.

7. Report in column(h) the number of megawatts of billing demand that is specified in the firm transmission service contract. Demand reported in column (h) must be in megawatts. Footnote any demand not stated on a megawatts basis and explain.

FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Substation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY		Line No.
				Megatthours Received (i)	Megatthours Delivered (j)	
FERC 6	SAME	SAME		384	372	1
						2
FERC 6	SAME	SAME		15,823	15,523	3
						4
						5
						6
						7
FERC 6	SAME	SAME		3,093	2,846	8
						9
FERC 6	SAME	SAME		1,600	1,568	10
						11
						12
						13
						14
				331,808	326,518	15
						16
						17

Name of Respondent
OHIO VALLEY ELECTRIC CORPORATION

This Report Is:
(1) An Original
(2) A Resubmission

Date of Report
(Mo, Da, Yr)
04/30/98

Year of Report
Dec. 31, 1997

TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued)

(Including transactions referred to as "wheeling")

8. Report in column (i) and (j) the total megawatthours received and delivered.
9. In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge

- shown on bills rendered to the entity listed in column (a). If no monetary settlement was made, enter zero ("0") in column(n). Provide a footnote explaining the nature of the nonmonetary settlement, including the amount and type of energy or service rendered.
10. Provide total amounts in column (i) through (n) as the last line. Enter "TOTAL" in column (a) as the last line. The total amounts in columns (i) and (j) must be reported as Transmission Received and Delivered on page 401, lines 16 and 17, respectively.
 11. Footnote entries and provide explanations following all required data.

REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS

Demand Charges (\$) (k)	Energy Charges (\$) (l)	Other Charges (\$) (m)	Total revenues(\$) (k+l+m) (n)	Line No.
\$469	\$149		\$618	1
			0	2
19,551	6,209		25,760	3
				4
				5
				6
				7
3,558	1,138		4,696	8
				9
1,960	627		2,587	10
				11
				12
				13
				14
256,607	130,607	0	387,214	15
				16
				17

< Page 328 Line 1 Column a >

(1)The Companies listed in columns (a) or their parent corporations are shareholders of Ohio Valley Electric Corporation.

< Page 328 Line 1 Column b >

(1)The companies listed in column (b) or their parent corporations are shareholders of Ohio Valley Electric Corporation.

< Page 328 Line 1 Column c >

(1)The companies listed in column (c) or their parent corporations are shareholders of Ohio Valley Electric Corporation.

< Page 329 Line 1 Column f >

(2)Indiana-Kentucky Electric Corporation is a wholly owned subsidiary of Ohio Valley Electric Corporation.

< Page 329 Line 1 Column g >

Indiana-Kentucky Electric Corporation is a wholly owned subsidiary of Ohio Valley Electric Corporation.

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.) 04/30/98	Year of Report Dec. 31, 1997
MISCELLANEOUS GENERAL EXPENSES (Account 930.2)(ELECTRIC)				
Line No.	Description (a)	Amount (b)		
1	Industry Association Dues			
2	Nuclear Power Research Expenses	\$116,210		
3	Other Experimental and General Research Expenses			
4	Publishing and Distributing Information and Reports to Stockholders; Trustee, Registrar, and Transfer Agent Fees and Expenses, and Other Expenses of Servicing Outstanding Securities of the Respondent	90,411		
5	Other Expenses (List items of \$5,000 or more in this column showing the (1) purpose, (2) recipient and (3) amount of such items. Group amounts of less than \$5,000 by classes if the number of items so grouped is shown)			
6				
7	Other Expenses under \$5,000 (15 Items)	3,705		
8				
9				
10				
11				
12				
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15				
16				
17				
18				
19				
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33				
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37				
38				
39				
40				
41				
42				
43				
44				
45				
46	TOTAL	\$210,326		

PARTICULARS CONCERNING CERTAIN INCOME DEDUCTIONS AND INTEREST CHARGES ACCOUNTS

Report the information specified below, in the order given, for the respective income deduction and interest charges accounts. Provide a subheading for each account and a total for the account. Additional columns may be added if deemed appropriate with respect to any account.

(a) Miscellaneous Amortization (Account 425) -- Describe the nature of items included in this account, the contra account charged, the total of amortization charges for the year, and the period of amortization.

(b) Miscellaneous Income Deductions -- Report the nature, payee, and amount of other income deductions for the year as required by Accounts 426.1, Donations; 426.2, Life Insurance; 426.3, Penalties; 426.4, Expenditures for Certain Civic, Political, and Related Activities; and 426.5, Other Deductions, of the Uniform System of

Accounts. Amounts of less than 5% of each account total for the year (or \$1,000, whichever is greater) may be grouped by classes within the above accounts.

(c) Interest on Debt to Associated Companies (Account 430) -- For each associated company to which interest on debt was incurred during the year, indicate the amount and interest rate respectively for (a) advances on notes, (b) advances on open account, (c) notes payable, (d) accounts payable, and (e) other debt, and total interest. Explain the nature of other debt on which interest was incurred during the year.

(d) Other Interest Expense (Account 431) -- Report particulars (details) including the amount and interest rate for other interest charges incurred during the year.

Line No.	Item (a)	Amount (b)
1	425. Miscellaneous Amortization	0
2		
3	426. Miscellaneous Income Deductions	
4	426.1 Donations-United Way Funds(4)	2,850
5	Donations-Chamber of Commerce(5)	1,550
6	Donations-Other (18)	2,715
7	426.2 Life Insurance	0
8	426.3 Penalties	11,027
9	427.4 Expenses for certain civic,	
10	political and related activities	0
11		
12	TOTAL-426	18,142
13		
14	430. Interest on Debt to associated Companies	0
15		
16	431. Interest Expense-Other	
17	431.1 Interest Expense	1,138,402
18		
19	TOTAL-431	1,138,402
20		
21		
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Name of Respondent OHIO VALLEY ELECTRIC CORPORATION		This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission		Date of Report (Mo., Da., Yr) 04/30/98	Year of Report Dec. 31, 1997
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 formal 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 Expenses for Current Year (b) + (c) (d)	Deferred in Account 182,3 at Beginning of year (e)
1	FERC Order No.472				
2	Assessment for maintenance of the				
3	Federal Energy Regulatory Commission	195,403		195,403	
4					
5	Section 4905.10 Ohio Revised Code				
6	Assessment for maintenance of the				
7	Public Utilities Commission of Ohio	288,813		288,813	
8					
9	Section 4911.18 Ohio Revised Code				
10	Assessment for maintenance of the				
11	Office of the Consumers' Counsel of Ohio	77,910		77,910	
12					
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37					
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45					
46	TOTAL	\$562,126	0	\$562,126	0

Name of Respondent OHIO VALLEY ELECTRIC CORPORATION			This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 04/30/98		Year of Report Dec. 31, 1997	
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				
CHARGED CURRENTLY TO			Deferred to Account 182.3 (i)	Contra Account (j)	Amount (k)	Deferred in Account 182.3, End of Year (l)		Line No.
Department (f)	Account No. (g)	Amount (h)						
Electric	928	195,403						1
Electric	928	288,813						2
Electric	928	77,910						3
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								45
		\$562,126	0		0		0	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) 04/30/98	Year of Report Dec. 31, 1997
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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:

A. Electric R, D & D Performed Internally

(1) Generation

 a. Hydroelectric

 i. Recreation, fish, and wildlife

 ii. Other hydroelectric

B. Fossil-fuel steam

C. Internal combustion or gas turbine

D. Nuclear

E. Unconventional generation

F. Siting and heat rejection

(2) System Planning, Engineering and Operation

(3) Transmission

 a. Overhead

 b. Underground

(4) Distribution

(5) Environment (other than equipment)

(6) Other (Classify and include items in excess of \$5,000.)

(7) Total Cost Incurred

B. Electric, R, D & D Performed Externally

(1) Research Support to the Electrical Research Council or the Electric Power Research Institute

Line No.	Classification (a)	Description (b)
1	A-5	Ohio River Ecological Research Program
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Name of Respondent OHIO VALLEY ELECTRIC CORPORATION	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/98	Year of Report Dec. 31, 1997
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RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES (Continued)

<p>(2) Research Support to Edison Electric Institute</p> <p>(3) Research Support to Nuclear Power Groups</p> <p>(4) Research Support to Others (Classify)</p> <p>(5) Total Cost Incurred</p> <p>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.</p> <p>4. Show in column (e) the account number charged</p>	<p>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).</p> <p>5. Show in column (g) the total unamortized accumulation 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.</p> <p>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."</p> <p>7. Report separately research and related testing facilities operated by the respondent.</p>
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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)		
\$23,490		923.3	\$23,490		1
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Name of Respondent OHIO VALLEY ELECTRIC CORPORATION		This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission		Date of Report (Mo., Da., Yr.) 04/30/98	Year of Report Dec. 31, 1997
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	\$8,537,983			
4	Transmission	1,130,039			
5	Distribution				
6	Customer Accounts				
7	Customer Service and Informational				
8	Sales				
9	Administrative and General	2,149,918			
10	TOTAL Operation (Enter Total of lines 3 thru 9)	\$11,817,940			
11	Maintenance				
12	Production	6,680,499			
13	Transmission	444,054			
14	Distribution				
15	Administrative and General				
16	TOTAL Maint. (Total of lines 12 thru 15)	\$7,124,553			
17	Total Operation and Maintenance				
18	Production (Enter Total of lines 3 and 12)	\$15,218,482			
19	Transmission (Enter Total of lines 4 and 13)	\$1,574,093			
20	Distribution (Enter Total of lines 5 and 14)				
21	Customer Accounts (Transcribe from line 6)				
22	Customer Service and Informational (Transcribe from line 7)				
23	Sales (Transcribe from line 8)				
24	Administrative and General (Enter Total of lines 9 and 15)	\$2,149,918			
25	TOTAL Oper. and Maint. (Total of lines 18 thru 24)	\$18,942,493		\$18,942,493	
26	Gas				
27	Operation				
28	Production--Manufactured Gas				
29	Production--Nat. Gas (Including Expl. and Dev.)				
30	Other Gas Supply				
31	Storage, LNG Terminaling and Processing				
32	Transmission				
33	Distribution				
34	Customer Accounts				
35	Customer Service and Informational				
36	Sales				
37	Administrative and General				
38	TOTAL Operation (Enter Total of lines 28 thru 37)				
39	Maintenance				
40	Production--Manufactured Gas				
41	Production--Natural Gas				
42	Other Gas Supply				
43	Storage, LNG Terminaling and Processing				
44	Transmission				
45	Distribution				
46	Administrative and General				
47	TOTAL Maint. (Enter Total of lines 40 thru 46)				

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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)	
	Gas				
48	Total Operation and Maintenance				
49	Production--Manufactured Gas (Enter Total of lines 28 and 40)	0			
50	Production--Natural Gas (Including Expl. and Dev.) (Total of lines 29 and 41)	0			
51	Other Gas Supply (Enter Total of lines 30 and 42)	0			
52	Storage, LNG Terminaling and Processing (Total of lines 31 and 43)	0			
53	Transmission (Lines 32 and 44)	0			
54	Distribution (Lines 33 and 45)	0			
55	Customer Accounts (Line 34)				
56	Customer Service and Informational (Line 35)				
57	Sales (Line 36)				
58	Administrative and General (Lines 37 and 46)	0			
59	TOTAL Operation and Maint. (Total of lines 49 thru 58)	0			0
60	Other Utility Departments				
61	Operation and Maintenance				0
62	TOTAL All Utility Dept. (Total of lines 25, 59, and 61)	\$18,942,493	0		\$18,942,493
63	Utility Plant				
64	Construction (By Utility Departments)				
65	Electric Plant	107,017			107,017
66	Gas Plant				
67	Other				
68	TOTAL Construction (Total of lines 65 thru 67)	\$107,017			\$107,017
69	Plant Removal (By Utility Departments)				
70	Electric Plant	565			565
71	Gas Plant				
72	Other				
73	TOTAL Plant Removal (Total of lines 70 thru 72)	\$565			\$565
74	Other Accounts (Specify):				
75	186.10	71,348			71,348
76					
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94					
95	TOTAL Other Accounts	\$71,348			\$71,348
96	TOTAL SALARIES AND WAGES	\$19,121,423	0		\$19,121,423

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)	11,202,767
3	Steam	7,708,125	23	Requirements Sales for Resale (See instruction 4, page 311.)	
4	Nuclear		24	Non-Requirements Sales For Resale (See instruction 4, page 311.)	5,128,183
5	Hydro--Conventional		25	Energy Furnished without Charge	
6	Hydro--Pumped Storage		26	Energy Used by the Company (Electric Department Only, Excluding Station Use)	
7	Other		27	Total Energy Losses	214,353
8	(Less) Energy for Pumping		28	TOTAL (Enter Total of Lines 22 thru 27) (MUST EQUAL LINE 20)	16,545,303
9	Net Generation (Enter Total of lines 3 thru 8)	7,708,125			
10	Purchases	8,837,178			
11	Power Exchanges:				
12	Received				
13	Delivered				
14	Net Exchanges (Line 12 minus line 13)	0			
15	Transmission For Other (Wheeling)				
16	Received	331,808			
17	Delivered	326,518			
18	Net Transmission for Other (Line 16 minus Line 17)	5,290			
19	Transmission By Other Losses	(5,290)			
20	TOTAL (Enter Total of Lines 9, 10, 14, 18 and 19)	16,545,303			

MONTHLY PEAKS AND OUTPUT

1. 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 in column (b) the system's energy output for each month such that the total on line 41 matches the total on line 20.
3. Report in column (c) a monthly breakdown of the Non-Requirements Sales For Resale reported on line 24. Include in the monthly amounts any energy losses associated

- with the sales so that the total on line 41 exceeds the amount on line 24 by the amount of losses incurred (or estimated) in making the Non-Requirements Sales For Resale.
4. Report in column (d) the system's monthly maximum megawatt load (60-minute integration) associated with the net energy for the system defined as the difference between columns (b) and (c).
5. Report in columns (e) and (f) the specified information for each monthly peak load reported in column (d).

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	1,420,809	293,266	2,224	13	700
30	February	1,261,885	271,447	2,185	21	400
31	March	1,348,962	308,263	2,019	1	2200
32	April	1,316,286	306,388	2,258	26	1100
33	May	1,355,518	301,399	2,231	1	1600
34	June	1,296,091	268,853	2,157	2	1200
35	July	1,438,126	459,528	2,204	8	800
36	August	1,378,712	346,947	2,168	21	1100
37	September	1,365,655	359,022	2,195	20	2000
38	October	1,393,377	650,441	2,196	17	2200
39	November	1,462,405	769,185	2,255	21	1800
40	December	1,507,477	793,444	2,239	2	700
41	TOTAL	16,545,303	5,128,183			

Name of Respondent OHIO VALLEY ELECTRIC CORPORATION		This Report Is: (1) [] An Original (2) [x] A Resubmission		Date of Report (Mo. Da. Yr) 04/30/98	Year of Report Dec. 31, 1997
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 on 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 Mcf. 7. Quantities of fuel burned (line 37) and average cost per unit of fuel burned (line 40) must be consistent with charges to expense accounts 501 and 547 (line 41) as shown on line 19. 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: KYGER CREEK (b)	Plant Name: (c)		
1	Kind of Plant (Steam, Internal Combustion, Gas Turbine or Nuclear)	STEAM			
2	Type of Plant Construction (Conventional, Outdoor Boiler, Full Outdoor, Etc.)	CONVENTIONAL			
3	Year Originally Constructed	1955			
4	Year Last Unit was Installed	1955			
5	Total Installed Capacity (Maximum Generator Name Plate Ratings in MW)	1,086.30			
6	Net Peak Demand on Plant -- MW (60 minutes)	1,059			
7	Plant Hours Connected to Load	8,760			
8	Net Continuous Plant Capability (Megawatts)				
9	When Not Limited by Condenser Water	1,070			
10	When Limited by Condenser Water	NA			
11	Average Number of Employees	322			
12	Net Generation, Exclusive of Plant Use -- KWh	7,708,125			
13	Cost of Plant: Land and Land Rights	402,745			
14	Structures and Improvements	35,258,452			
15	Equipment Costs	202,782,333			
16	Total Cost	\$238,443,530			
17	Cost per KW of Installed Capacity (line 5)	219.5006			
18	Production Expenses: Oper. Supv. & Engr.	1,071,121			
19	Fuel	92,801,172			
20	Coolants and Water (Nuclear Plants Only)				
21	Steam Expenses	3,166,816			
22	Steam From Other Sources				
23	Steam Transferred (Cr.)				
24	Electric Expenses	1,756,405			
25	Misc. Steam (or Nuclear) Power Expenses	3,214,478			
26	Rents				
27	Allowances	5,754,378			
28	Maintenance Supervision and Engineering	204,343			
29	Maintenance of Structures	971,852			
30	Maintenance of Boiler (Or Reactor) Plant	9,999,776			
31	Maintenance of Electric Plant	3,344,671			
32	Maintenance Misc. Steam (or Nuclear) Plant	476,709			
33	Total Production Expenses	\$122,761,721			
34	Expenses per Net KWh	\$15.9262			
35	Fuel: Kind (Coal, Gas, Oil, or Nuclear)	Coal			
36	Unit: (Coal-tons of 2,000 lb.) (Oil-barrels of 42 gals.) (Gas-Mcf) (Nuclear-indicate)	Tons			
37	Quantity (Units) of Fuel Burned	2,914,719			
38	Avg. Heat Cont. of Fuel Burned (Btu per lb. of coal per gal. of oil, or per Mcf of gas) (Give unit if nuclear)	13,067			
39	Average Cost of Fuel per Unit, as Delivered f.o.b. Plant During Year	\$32.720			
40	Average Cost of Fuel per Unit Burned	\$31,839.000			
41	Avg. Cost of Fuel Burned per Million Btu	\$1.294			
42	Avg. Cost of Fuel Burned per KWh Net Gen	\$12.039			
43	Average Btu per KWh Net Generation	9,882.000			

Name of Respondent OHIO VALLEY ELECTRIC CORPORATION	This Report Is: () [x] An Original (2) [] A Resubmission	Date of Report (Mo. Da. Yr) 04/30/98	Year of Report Dec. 31, 1997
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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 GI plants, report Operating Expenses, Account Nos. 548 and 549 on line 24 "Electric Expenses," and Maintenance Account Nos. 553 and 554 on line 31 "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.
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Name of Respondent OHIO VALLEY ELECTRIC CORPORATION	This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 04/30/98	Year of Report Dec. 31, 1997
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TRANSMISSION LINE STATISTICS

1. Report information concerning transmission lines, cost of lines, and expenses for year. List each transmission line having nominal voltage of 132 kilovolts or greater. Report transmission lines below these voltages in group totals only for each voltage.

2. Transmission lines include all lines covered by the definition of transmission system plant as given in the Uniform System of Accounts. Do not report substation costs and expenses on this page.

3. Report data by individual lines for all voltages if so required by a State commission.

4. Exclude from this page any transmission lines for which plant costs are included in Account 121, Nonutility Property.

5. Indicate whether the type of supporting structure reported in column (e) is: (1) single pole, wood or steel; (2) H-frame, wood, or steel poles; (3) tower; or (4) underground construc-

tion. If a transmission line has more than one type of supporting structure, indicate the mileage of each type of construction by the use of brackets and extra lines. Minor portions of a transmission line of a different type of construction need not be distinguished from the remainder of the line.

6. Report in columns (f) and (g) the total pole miles of each transmission line. Show in column (f) the pole miles of line on structures the cost of which is reported for the line designated; conversely, show in column (g) the pole miles of line on structures the cost of which is reported for another line. Report pole miles of line on leased or partly owned structures in column (g). In a footnote, explain the basis of such occupancy and state whether expenses with respect to such structures are included in the expenses reported for the line designated.

Line No.	DESIGNATION		VOLTAGE (KV) (Indicate where other than 60 cycle, 3 phase)		Type of Supporting Structure (e)	LENGTH (Pole miles) (In the case of underground lines report circuit miles)		Number of Circuits (h)
	From (a)	To (b)	Operating (c)	Designed (d)		On Structure of Line Designated (f)	On Structures of Another Line (g)	
1	Kyger Creek	Ohio-W.VA State Line						
2								
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	345.00	330.00	Steel Tower		16.00	1
25	See Note, P.423	(CG&E)						
26								
27	Pierce	Buffington	345.00	330.00	Steel Tower		17.00	1
28	See Note, P.423	(CG&E)						
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: (2) [X] An Original [] A Resubmission	Date of Report (Mo, Da, Yr) 04/30/98	Year of Report Dec. 31, 1997
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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)	
1.75 in. Aluminum		\$81,232	\$81,232					1
"	\$254,459	\$3,576,700	\$3,831,159					2
"	\$244,852	\$3,397,636	\$3,642,488					3
"	\$389,206	\$5,533,748	\$5,922,954					4
"	\$477,960	\$4,893,925	\$5,371,885					5
"	\$341,839	\$4,922,293	\$5,264,132					6
"	\$221,853	\$2,391,061	\$2,612,914					7
"								8
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"								10
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	\$1,930,169	\$24,796,595	\$26,726,764	\$1,863,409	\$430,133	0	\$2,293,542	36

NOTE 1: 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 Buffington Substation of Cincinnati Gas & Electric Company.

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) 04/30/98	Year of Report Dec. 31, 1997
SUBSTATIONS					
<p>1. Report below the information called for concerning substations of the respondent as of the end of the year.</p> <p>2. Substations which serve only one industrial or street railway customer should not be listed below.</p> <p>3. Substations with capacities of less than 10 MVA except those serving customers with energy for</p>			<p>resale, may be grouped according to functional character, but the number of such substations must be shown.</p> <p>4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).</p>		
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					
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Name of Respondent
OHIO VALLEY ELECTRIC CORPORATION

This Report Is:
(1) An Original
(2) A Resubmission

Date of Report
(Mo, Da, Yr)
04/30/98

Year of Report
Dec. 31, 1997

SUBSTATIONS (Continued)

5. Show in columns (i),(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)	
1,200.00	15	2	None	0	0	1
150.00	1	0	None	0	0	2
250.00	2	0	None	0	0	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) 04/30/98	Year of Report Dec. 31, 1997
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ENVIRONMENTAL PROTECTION FACILITIES

1. For purposes of this response, environmental protection facilities shall be defined as any building, structure, equipment, facility, or improvement designed and constructed solely for control, reduction, prevention or abatement of discharges or releases into the environment of gaseous, liquid, or solid substances, heat, noise or for the control, reduction, prevention, or abatement of any other adverse impact of an activity on the environment.

2. Report the differences in cost of facilities installed for environmental considerations over the cost of alternative facilities which would otherwise be used without environmental considerations. Use the best engineering design achievable without environmental restrictions as the basis for determining costs without environmental considerations. It is not intended that special design studies be made for purposes of this response. Base the response on the best engineering judgement where direct comparisons are not available.

Include in these differences in costs the costs or estimated costs of environmental protection facilities in service, constructed or modified in connection with the production, transmission, and distribution of electrical energy and shall be reported herein for all such environmental facilities placed in service on or after January 1, 1969, so long as it is readily determinable that such facilities were constructed or modified for environmental rather than operational purposes. Also report similar expenditures for environmental plant included in construction work in progress. Estimate the cost of facilities when the original cost is not available or facilities are jointly owned with another utility, provided the respondent explains the basis of such estimations.

Examples of these costs would include a portion of the costs of tall smokestacks, underground lines, and landscaped substations. Explain such costs in a footnote.

3. In the cost of facilities reported on this page, include an estimated portion of the cost of plant that is or will be used to provide power to operate associated environmental protection facilities. These costs may be estimations on a percentage of plant basis. Explain such estimations in a footnote.

4. Report all costs under the major classifications provided below and include, as a minimum, the items listed hereunder:

A. Air pollution control facilities:

- (1) Scrubbers, precipitators, tall smokestacks, etc.
- (2) Changes necessary to accommodate use of environmentally clean fuels such as low ash

or low sulfur fuels including storage and handling equipment

- (3) Monitoring equipment
- (4) Other.

B. Water pollution control facilities:

- (1) Cooling towers, ponds, piping, pumps, etc.
- (2) Waste water treatment equipment
- (3) Sanitary waste disposal equipment
- (4) Oil interceptors
- (5) Sediment control facilities
- (6) Monitoring equipment
- (7) Other.

C. Solid waste disposal costs:

- (1) Ash handling and disposal equipment
- (2) Land
- (3) Settling ponds
- (4) Other.

D. Noise abatement equipment:

- (1) Structures
- (2) Mufflers
- (3) Sound proofing equipment
- (4) Monitoring equipment
- (5) Other.

E. Esthetic costs:

- (1) Architectural costs
- (2) Towers
- (3) Underground lines
- (4) Landscaping
- (5) Other.

F. Additional plant capacity necessary due to restricted output from existing facilities, or addition of pollution control facilities.

G. Miscellaneous:

- (1) Preparation of environmental reports
- (2) Fish and wildlife plants included in Accounts 330, 331, 332, and 335.
- (3) Parks and related facilities
- (4) Other.

5. In those instances when costs are composites of both actual supportable costs and estimates of costs, specify in column (f) the actual costs that are included in column (e).

6. Report construction work in progress relating to environmental facilities at line 9.

Line No.	Classification of Cost (a)	CHANGES DURING YEAR			Balance at End of Year (e)	Actual Cost (f)
		Additions (b)	Retirements (c)	Adjustments (d)		
1	Air Pollution Control Facilities				* \$71,795,809	\$71,795,809
2	Water Pollution Control Facilities				648,196	648,196
3	Solid Waste Disposal Costs					
4	Noise Abatement Equipment					
5	Esthetic Costs					
6	Additional Plant Capacity					
7	Miscellaneous (Identify significant)					
8	TOTAL (Total of lines 1 thru 7)				\$72,444,005	\$72,444,005
9	Construction Work in Progress				0	0

Name of Respondent OHIO VALLEY ELECTRIC CORPORATION		This Report Is: (1) <input type="checkbox"/> An Original (2) <input checked="" type="checkbox"/> A Resubmission		Date of Report (Mo. Da. Yr) 04/30/98	Year of Report Dec. 31, 1997
ENVIRONMENTAL PROTECTION EXPENSES					
<p>1. Show below expenses incurred in connection with the use of environmental protection facilities, the cost of which are reported on page 430. Where it is necessary that allocations and/or estimates of costs be made, state the basis or method used.</p> <p>2. Include below the costs incurred due to the operation of environmental protection equipment, facilities, and programs.</p> <p>3. Report expenses under the subheadings listed below.</p> <p>4. Under item 6 report the difference in cost between environmentally clean fuels and the alternative fuels that would otherwise be used and are available for use.</p> <p>5. Under item 7 include the cost of replacement power, purchased or generated, to compensate for the deficiency in output from existing plants due to the addition of pollution control equipment, use of alternate environmentally preferable fuels or environmental regulations of governmental bodies. Base the price of replacement power purchased on the average system price of purchased power if the actual cost of such replacement power is not known. Price internally generated replacement power at the system average cost of power generated if the actual cost of specific replacement generation is not known.</p> <p>6. Under item 8 include ad valorem and other taxes assessed directly on or directly relatable to environmental facilities. Also include under item 8 licensing and similar fees on such facilities.</p> <p>7. In those instances where expenses are composed of both actual supportable data and estimates of costs, specify in column (c) the actual expenses that are included in column (b).</p>					
Line No.	Classification of Expenses (a)	Amount (b)	Actual Expenses (c)		
1	Depreciation		0		0
2	Labor, Maintenance, Materials, and Supplies Cost Related to Env. Facilities and Programs		2,457,666		2,457,666
3	Fuel Related Costs				
4	Operation of Facilities		2,916,179		2,916,179
5	Fly Ash and Sulfur Sludge Removal		0		0
6	Difference in Cost of Environmentally Clean Fuels		6,503,536		6,503,536
7	Replacement Power Costs		19,834		19,834
8	Taxes and Fees		23,599		23,599
9	Administrative and General		977,234		977,234
10	Other (Identify significant)		0		0
11	TOTAL		\$12,898,048		\$12,898,048

< Page 430 Line 1 Column e >

The above amounts are excluded from property taxation by the
the State of Ohio.

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