

THIS FILING IS

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

Form 1 Approved  
OMB No.1902-0021  
(Expires 12/31/2014)  
Form 1-F Approved  
OMB No.1902-0029  
(Expires 12/31/2014)  
Form 3-Q Approved  
OMB No.1902-0205  
(Expires 05/31/2014)



# FERC FINANCIAL REPORT

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

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

**Exact Legal Name of Respondent (Company)**

Ohio Valley Electric Corporation

**Year/Period of Report**

**End of** 2012/Q4

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

### GENERAL INFORMATION

#### I. Purpose

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

#### II. Who Must Submit

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

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

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

#### III. What and Where to Submit

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

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

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

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

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

The CPA Certification Statement should:

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

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

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

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

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

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

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

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

#### **IV. When to Submit:**

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

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

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

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

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

## GENERAL INSTRUCTIONS

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

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

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

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

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

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

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

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

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

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

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

#### DEFINITIONS

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

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

## EXCERPTS FROM THE LAW

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

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

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

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

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

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

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

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

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

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

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

#### **General Penalties**

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

## INDEPENDENT AUDITORS' REPORT

Ohio Valley Electric Corporation  
Piketon, Ohio

We have audited the accompanying financial statements of Ohio Valley Electric Corporation (the "Company"), which comprise the balance sheet — regulatory basis as of December 31, 2012, and the related statements of income — regulatory basis, retained earnings — regulatory basis, and cash flows — regulatory basis for the year then ended, included on pages 110 through 123 of the accompanying Federal Energy Regulatory Commission Form 1, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements 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 includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the regulatory-basis financial statements referred to above present fairly, in all material respects, the assets, liabilities, and proprietary capital of the Company as of December 31, 2012, and the results of its operations and its cash flows for the year then ended 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.

## **Basis of Accounting**

As discussed in Note 1 to the financial statements, 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 basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

## **Restricted Use**

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

DELOITTE & TOUCHE LLP

May 15, 2013

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

**IDENTIFICATION**

|  |   |   |
|--|---|---|
| 01 Exact Legal Name of Respondent<br>Ohio Valley Electric Corporation  |   | 02 Year/Period of Report<br>End of <u>2012/Q4</u>     |
| 03 Previous Name and Date of Change (if name changed during year)<br><br>/ /   |   |   |
| 04 Address of Principal Office at End of Period (Street, City, State, Zip Code)<br>3932 U.S. Route 23, Piketon, Ohio 45661 |   |   |
| 05 Name of Contact Person<br>John D. Brodt   |   | 06 Title of Contact Person<br>Secretary and Treasurer |
| 07 Address of Contact Person (Street, City, State, Zip Code)<br>3932 U.S. Route 23, Piketon, Ohio 45661                    |   |   |
| 08 Telephone of Contact Person, Including Area Code<br>(740) 289-7200  | 09 This Report Is<br>(1) <input checked="" type="checkbox"/> An Original      (2) <input type="checkbox"/> A Resubmission | 10 Date of Report (Mo, Da, Yr)<br>12/31/2012          |

**ANNUAL CORPORATE OFFICER CERTIFICATION**

The undersigned officer certifies that:

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

|  |   |   |
|--|---|---|
| 01 Name<br>John D. Brodt                       | 03 Signature<br><br>John D. Brodt | 04 Date Signed (Mo, Da, Yr)<br>05/15/2013 |
| 02 Title<br>Chief Financial Officer, Secretary |   |   |

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

|  |   |  |   |
|--|---|--|---|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of 2012/Q4 |
|--|---|--|---|

LIST OF SCHEDULES (Electric Utility)

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

| Line No. | Title of Schedule<br>(a)   | Reference Page No.<br>(b) | Remarks<br>(c) |
|----------|--|---------------------------|----------------|
| 1        | General Information  | 101                       |                |
| 2        | Control Over Respondent  | 102                       |                |
| 3        | Corporations Controlled by Respondent                                  | 103                       |                |
| 4        | Officers   | 104                       |                |
| 5        | Directors  | 105                       |                |
| 6        | Information on Formula Rates   | 106(a)(b)                 | NA             |
| 7        | Important Changes During the Year                                      | 108-109                   |                |
| 8        | Comparative Balance Sheet  | 110-113                   |                |
| 9        | Statement of Income for the Year                                       | 114-117                   |                |
| 10       | Statement of Retained Earnings for the Year                            | 118-119                   |                |
| 11       | Statement of Cash Flows  | 120-121                   |                |
| 12       | Notes to Financial Statements  | 122-123                   |                |
| 13       | Statement of Accum Comp Income, Comp Income, and Hedging Activities    | 122(a)(b)                 |                |
| 14       | Summary of Utility Plant & Accumulated Provisions for Dep, Amort & Dep | 200-201                   |                |
| 15       | Nuclear Fuel Materials   | 202-203                   | NA             |
| 16       | Electric Plant in Service  | 204-207                   |                |
| 17       | Electric Plant Leased to Others  | 213                       | NONE           |
| 18       | Electric Plant Held for Future Use                                     | 214                       | NONE           |
| 19       | Construction Work in Progress-Electric                                 | 216                       |                |
| 20       | Accumulated Provision for Depreciation of Electric Utility Plant       | 219                       |                |
| 21       | Investment of Subsidiary Companies                                     | 224-225                   |                |
| 22       | Materials and Supplies   | 227                       |                |
| 23       | Allowances   | 228(ab)-229(ab)           |                |
| 24       | Extraordinary Property Losses  | 230                       | NONE           |
| 25       | Unrecovered Plant and Regulatory Study Costs                           | 230                       | NONE           |
| 26       | Transmission Service and Generation Interconnection Study Costs        | 231                       | NONE           |
| 27       | Other Regulatory Assets  | 232                       |                |
| 28       | Miscellaneous Deferred Debits  | 233                       |                |
| 29       | Accumulated Deferred Income Taxes                                      | 234                       |                |
| 30       | Capital Stock  | 250-251                   |                |
| 31       | Other Paid-in Capital  | 253                       | NONE           |
| 32       | Capital Stock Expense  | 254                       | NONE           |
| 33       | Long-Term Debt   | 256-257                   |                |
| 34       | Reconciliation of Reported Net Income with Taxable Inc for Fed Inc Tax | 261                       |                |
| 35       | Taxes Accrued, Prepaid and Charged During the Year                     | 262-263                   |                |
| 36       | Accumulated Deferred Investment Tax Credits                            | 266-267                   |                |
|          |  |                           |                |



|  |   |  |  |
|--|---|--|--|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of <u>2012/Q4</u> |
|--|---|--|--|

LIST OF SCHEDULES (Electric Utility) (continued)

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

| Line No. | Title of Schedule<br>(a)   | Reference Page No.<br>(b) | Remarks<br>(c) |
|----------|--|---------------------------|----------------|
| 67       | Transmission Line Statistics Pages   | 422-423                   |                |
| 68       | Transmission Lines Added During the Year   | 424-425                   | NONE           |
| 69       | Substations  | 426-427                   |                |
| 70       | Transactions with Associated (Affiliated) Companies  | 429                       |                |
| 71       | Footnote Data  | 450                       |                |
|          | <p>Stockholders' Reports Check appropriate box:</p> <p><input checked="" type="checkbox"/> Two copies will be submitted</p> <p><input type="checkbox"/> No annual report to stockholders is prepared</p> |                           |                |

|  |   |  |  |
|--|---|--|--|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of <u>2012/Q4</u> |
|--|---|--|--|

**GENERAL INFORMATION**

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

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

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

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

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

Not Applicable

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

Major - Electric Utility - Ohio

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

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

|  |   |  |  |
|--|---|--|--|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of <u>2012/Q4</u> |
|--|---|--|--|

**CONTROL OVER RESPONDENT**

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

Ohio Valley Electric Corporation is owned by twelve entities consisting of ten investor-owned utilities or utility holding companies and two affiliates of generation and transmission rural electric cooperatives. American Electric Power Company, Inc., and its subsidiary, Columbus Southern Power Company held 43.47% of Ohio Valley Electric Corporation's capital stock at December 31, 2012.

|  |   |  |  |
|--|---|--|--|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of <u>2012/Q4</u> |
|--|---|--|--|

**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<br>(a) | Kind of Business<br>(b) | Percent Voting Stock Owned<br>(c) | Footnote Ref.<br>(d) |
|----------|-----------------------------------|-------------------------|-----------------------------------|----------------------|
| 1        | Indiana-Kentucky Electric Corp.   | Electric Utility        | 100%                              |                      |
| 2        |                                   |                         |                                   |                      |
| 3        |                                   |                         |                                   |                      |
| 4        |                                   |                         |                                   |                      |
| 5        |                                   |                         |                                   |                      |
| 6        |                                   |                         |                                   |                      |
| 7        |                                   |                         |                                   |                      |
| 8        |                                   |                         |                                   |                      |
| 9        |                                   |                         |                                   |                      |
| 10       |                                   |                         |                                   |                      |
| 11       |                                   |                         |                                   |                      |
| 12       |                                   |                         |                                   |                      |
| 13       |                                   |                         |                                   |                      |
| 14       |                                   |                         |                                   |                      |
| 15       |                                   |                         |                                   |                      |
| 16       |                                   |                         |                                   |                      |
| 17       |                                   |                         |                                   |                      |
| 18       |                                   |                         |                                   |                      |
| 19       |                                   |                         |                                   |                      |
| 20       |                                   |                         |                                   |                      |
| 21       |                                   |                         |                                   |                      |
| 22       |                                   |                         |                                   |                      |
| 23       |                                   |                         |                                   |                      |
| 24       |                                   |                         |                                   |                      |
| 25       |                                   |                         |                                   |                      |
| 26       |                                   |                         |                                   |                      |
| 27       |                                   |                         |                                   |                      |

|  |   |  |  |
|--|---|--|--|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of <u>2012/Q4</u> |
|--|---|--|--|

**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 policy making functions.  
2. If a change was made during the year in the incumbent of any position, show name and total remuneration of the previous incumbent, and the date the change in incumbency was made.

| Line No. | Title<br>(a)                                     | Name of Officer<br>(b) | Salary for Year<br>(c) |
|----------|--|------------------------|------------------------|
| 1        | President  | Nicholas K. Akins      |                        |
| 2        | Vice President and Chief Operating Officer       | Mark A. Peifer         |                        |
| 3        | Vice President - Operations                      | David E. Jones         |                        |
| 4        | Chief Financial Officer, Secretary and Treasurer | John D. Brodt          |                        |
| 5        |  |                        |                        |
| 6        |  |                        |                        |
| 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       |  |                        |                        |

|  |   |  |                                  |
|--|---|--|----------------------------------|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>2012/Q4 |
| FOOTNOTE DATA  |   |  |                                  |

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

Salaries are none.

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

Mark A. Peifer replaced Scott N. Smith, effective January 1, 2012.

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

Salaries are none.

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

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

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

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

|  |   |  |   |
|--|---|--|---|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of 2012/Q4 |
|--|---|--|---|

**DIRECTORS**

- Report below the information called for concerning each director of the respondent who held office at any time during the year. Include in column (a), abbreviated titles of the directors who are officers of the respondent.
- Designate members of the Executive Committee by a triple asterisk and the Chairman of the Executive Committee by a double asterisk.

| Line No. | Name (and Title) of Director (a) | Principal Business Address (b)                       |
|----------|----------------------------------|--|
| 1        | Anthony J. Ahern***              | 6677 Busch Blvd., Columbus, OH 43226                 |
| 2        | Nicholas K. Akins, President **  | 1 Riverside Plaza, Columbus, OH 43215                |
| 3        | Eric D. Baker                    | 10125 West Watergate Road, Cadillac, MI 49601        |
| 4        | Kevin W. Crawford                | 1065 Woodman Drive, Dayton, OH 45432                 |
| 5        | William S. Doty                  | One Vectren Square, Evansville, IN 47708             |
| 6        | Carl L. English                  | 1 Riverside Plaza, Columbus, OH 43215                |
| 7        | Joseph Hamrock                   | 1 Riverside Plaza, Columbus, OH 43215                |
| 8        | James R. Haney                   | 76 South Main St., Akron, OH 44308                   |
| 9        | Dennis A. Lantzy                 | 1065 Woodman Drive, Dayton, OH 45432                 |
| 10       | Charles D. Lasky***              | 341 White Pond Drive, WAC-A3, Akron, OH 44320        |
| 11       | Mark C. McCullough               | 1 Riverside Plaza, Columbus, OH 43215                |
| 12       | Steven K. Nelson                 | 6677 Busch Blvd., Columbus, OH 43226                 |
| 13       | Patrick W. O'Loughlin            | 6677 Busch Blvd., Columbus, OH 43226                 |
| 14       | Robert P. Powers                 | 1 Riverside Plaza, Columbus, OH 43215                |
| 15       | Gary G. Stephenson               | 1065 Woodman Drive, Dayton, OH 45432                 |
| 16       | Stanley F. Szwed***              | 76 South Main St., Akron, OH 44308                   |
| 17       | Paul W. Thompson                 | 220 West Main St., Louisville, KY 40202              |
| 18       | Pablo A. Vegas                   | 850 Tech Center Dr., Gahanna, OH 43230               |
| 19       | John N. Voyles, Jr.***           | 220 West Main St., Louisville, KY 40202              |
| 20       | Charles Whitlock ***             | 221 East Fourth St., 5th Floor, Cincinnati, OH 45202 |
| 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       |                                  |  |

|  |   |  |                                  |
|--|---|--|----------------------------------|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>2012/Q4 |
| FOOTNOTE DATA  |   |  |                                  |

**Schedule Page: 105 Line No.: 4 Column: a**

Kevin W. Crawford was elected to replace Gary G. Stephenson, effective February 2012.

**Schedule Page: 105 Line No.: 8 Column: a**

James R. Haney was elected to replace Stanley F. Szwed, effective December 2012.

**Schedule Page: 105 Line No.: 9 Column: a**

Dennis A. Lantzy was elected to replace Kevin W. Crawford, effective March 2012.

**Schedule Page: 105 Line No.: 14 Column: a**

Robert P. Powers was elected to replace Carl L. English, effective February 2012.

**Schedule Page: 105 Line No.: 18 Column: a**

Pablo A. Vegas was elected to replace Joseph Hamrock, effective May 2012.

|  |   |                              |  |
|--|---|------------------------------|--|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>12/31/2012 | Year/Period of Report<br>End of <u>2012/Q4</u> |
|--|---|------------------------------|--|

**IMPORTANT CHANGES DURING THE QUARTER/YEAR**

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

1. Changes in and important additions to franchise rights: Describe the actual consideration given therefore and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state that fact.
2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.
3. Purchase or sale of an operating unit or system: Give a brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required. Give date journal entries called for by the Uniform System of Accounts were submitted to the Commission.
4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other condition. State name of Commission authorizing lease and give reference to such authorization.
5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and give reference to Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service. Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc.
6. Obligations incurred as a result of issuance of securities or assumption of liabilities or guarantees including issuance of short-term debt and commercial paper having a maturity of one year or less. Give reference to FERC or State Commission authorization, as appropriate, and the amount of obligation or guarantee.
7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.
8. State the estimated annual effect and nature of any important wage scale changes during the year.
9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.
10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on Page 104 or 105 of the Annual Report Form No. 1, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.
11. (Reserved.)
12. If the important changes during the year relating to the respondent company appearing in the annual report to stockholders are applicable in every respect and furnish the data required by Instructions 1 to 11 above, such notes may be included on this page.
13. Describe fully any changes in officers, directors, major security holders and voting powers of the respondent that may have occurred during the reporting period.
14. In the event that the respondent participates in a cash management program(s) and its proprietary capital ratio is less than 30 percent please describe the significant events or transactions causing the proprietary capital ratio to be less than 30 percent, and the extent to which the respondent has amounts loaned or money advanced to its parent, subsidiary, or affiliated companies through a cash management program(s). Additionally, please describe plans, if any to regain at least a 30 percent proprietary ratio.

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

|   |   |  |                                  |
|---|---|--|----------------------------------|
| Name of Respondent                                    | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>2012/Q4 |
| Ohio Valley Electric Corporation                      |   |  |                                  |
| IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued) |   |  |                                  |

1. Not Applicable
2. Not Applicable
3. Not Applicable
4. Not Applicable
5. Not Applicable
6. None
7. Not Applicable
8. All 2011 employees shared a \$2,400,364 bonus that was paid in 2012. Effective September 1, 2012, a general wage increase of approximately 2.3% was given to 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.
13. See pages 104 and 105.
14. Not Applicable

|  |   |  |  |
|--|---|--|--|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of <u>2012/Q4</u> |
|--|---|--|--|

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

| Line No.  | Title of Account<br>(a)   | Ref. Page No.<br>(b) | Current Year<br>End of Quarter/Year<br>Balance<br>(c) | Prior Year<br>End Balance<br>12/31<br>(d) |
|-----------|---|----------------------|---|---|
| <b>1</b>  | <b>UTILITY PLANT</b>  |                      |   |   |
| 2         | Utility Plant (101-106, 114)                                      | 200-201              | 1,276,438,565   | 1,102,960,779                             |
| 3         | Construction Work in Progress (107)                               | 200-201              | 32,847,537  | 175,025,535                               |
| 4         | TOTAL Utility Plant (Enter Total of lines 2 and 3)                |                      | 1,309,286,102   | 1,277,986,314                             |
| 5         | (Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)   | 200-201              | 531,480,132   | 477,412,407                               |
| 6         | Net Utility Plant (Enter Total of line 4 less 5)                  |                      | 777,805,970   | 800,573,907                               |
| 7         | Nuclear Fuel in Process of Ref., Conv., Enrich., and Fab. (120.1) | 202-203              | 0   | 0   |
| 8         | Nuclear Fuel Materials and Assemblies-Stock Account (120.2)       |                      | 0   | 0   |
| 9         | Nuclear Fuel Assemblies in Reactor (120.3)                        |                      | 0   | 0   |
| 10        | Spent Nuclear Fuel (120.4)  |                      | 0   | 0   |
| 11        | Nuclear Fuel Under Capital Leases (120.6)                         |                      | 0   | 0   |
| 12        | (Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)   | 202-203              | 0   | 0   |
| 13        | Net Nuclear Fuel (Enter Total of lines 7-11 less 12)              |                      | 0   | 0   |
| 14        | Net Utility Plant (Enter Total of lines 6 and 13)                 |                      | 777,805,970   | 800,573,907                               |
| 15        | Utility Plant Adjustments (116)                                   |                      | 0   | 0   |
| 16        | Gas Stored Underground - Noncurrent (117)                         |                      | 0   | 0   |
| <b>17</b> | <b>OTHER PROPERTY AND INVESTMENTS</b>                             |                      |   |   |
| 18        | Nonutility Property (121)   |                      | 0   | 0   |
| 19        | (Less) Accum. Prov. for Depr. and Amort. (122)                    |                      | 0   | 0   |
| 20        | Investments in Associated Companies (123)                         |                      | 0   | 0   |
| 21        | Investment in Subsidiary Companies (123.1)                        | 224-225              | 112,803,661   | 120,348,741                               |
| 22        | (For Cost of Account 123.1, See Footnote Page 224, line 42)       |                      |   |   |
| 23        | Noncurrent Portion of Allowances                                  | 228-229              | 0   | 0   |
| 24        | Other Investments (124)   |                      | 0   | 0   |
| 25        | Sinking Funds (125)   |                      | 0   | 0   |
| 26        | Depreciation Fund (126)   |                      | 0   | 0   |
| 27        | Amortization Fund - Federal (127)                                 |                      | 0   | 0   |
| 28        | Other Special Funds (128)   |                      | 157,823,427   | 88,444,080                                |
| 29        | Special Funds (Non Major Only) (129)                              |                      | 0   | 0   |
| 30        | Long-Term Portion of Derivative Assets (175)                      |                      | 0   | 0   |
| 31        | Long-Term Portion of Derivative Assets - Hedges (176)             |                      | 0   | 0   |
| 32        | TOTAL Other Property and Investments (Lines 18-21 and 23-31)      |                      | 270,627,088   | 208,792,821                               |
| <b>33</b> | <b>CURRENT AND ACCRUED ASSETS</b>                                 |                      |   |   |
| 34        | Cash and Working Funds (Non-major Only) (130)                     |                      | 0   | 0   |
| 35        | Cash (131)  |                      | 558,113   | 4,719,549                                 |
| 36        | Special Deposits (132-134)  |                      | 2,000   | 2,000                                     |
| 37        | Working Fund (135)  |                      | 10,699  | 12,599                                    |
| 38        | Temporary Cash Investments (136)                                  |                      | 19,330,793  | 0   |
| 39        | Notes Receivable (141)  |                      | 0   | 0   |
| 40        | Customer Accounts Receivable (142)                                |                      | 34,841,120  | 37,346,522                                |
| 41        | Other Accounts Receivable (143)                                   |                      | 17,371,823  | 4,536,302                                 |
| 42        | (Less) Accum. Prov. for Uncollectible Acct.-Credit (144)          |                      | 0   | 0   |
| 43        | Notes Receivable from Associated Companies (145)                  |                      | 0   | 0   |
| 44        | Accounts Receivable from Assoc. Companies (146)                   |                      | 632,985,163   | 494,263,276                               |
| 45        | Fuel Stock (151)  | 227                  | 28,067,453  | 17,414,166                                |
| 46        | Fuel Stock Expenses Undistributed (152)                           | 227                  | 0   | 0   |
| 47        | Residuals (Elec) and Extracted Products (153)                     | 227                  | 0   | 0   |
| 48        | Plant Materials and Operating Supplies (154)                      | 227                  | 15,489,802  | 14,308,322                                |
| 49        | Merchandise (155)   | 227                  | 0   | 0   |
| 50        | Other Materials and Supplies (156)                                | 227                  | 0   | 0   |
| 51        | Nuclear Materials Held for Sale (157)                             | 202-203/227          | 0   | 0   |
| 52        | Allowances (158.1 and 158.2)                                      | 228-229              | 86,649  | 28,519                                    |

|  |   |  |  |
|--|---|--|--|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of <u>2012/Q4</u> |
|--|---|--|--|

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

| Line No. | Title of Account<br>(a)   | Ref. Page No.<br>(b) | Current Year<br>End of Quarter/Year<br>Balance<br>(c) | Prior Year<br>End Balance<br>12/31<br>(d) |
|----------|---|----------------------|---|---|
| 53       | (Less) Noncurrent Portion of Allowances                                 |                      | 0   | 0   |
| 54       | Stores Expense Undistributed (163)                                      | 227                  | 0   | 0   |
| 55       | Gas Stored Underground - Current (164.1)                                |                      | 0   | 0   |
| 56       | Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)      |                      | 0   | 0   |
| 57       | Prepayments (165)   |                      | 1,169,331   | 979,005                                   |
| 58       | Advances for Gas (166-167)  |                      | 0   | 0   |
| 59       | Interest and Dividends Receivable (171)                                 |                      | 0   | 0   |
| 60       | Rents Receivable (172)  |                      | 0   | 0   |
| 61       | Accrued Utility Revenues (173)  |                      | 0   | 0   |
| 62       | Miscellaneous Current and Accrued Assets (174)                          |                      | 2,503,440   | 2,521,920                                 |
| 63       | Derivative Instrument Assets (175)                                      |                      | 0   | 0   |
| 64       | (Less) Long-Term Portion of Derivative Instrument Assets (175)          |                      | 0   | 0   |
| 65       | Derivative Instrument Assets - Hedges (176)                             |                      | 0   | 0   |
| 66       | (Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176) |                      | 0   | 0   |
| 67       | Total Current and Accrued Assets (Lines 34 through 66)                  |                      | 752,416,386   | 576,132,180                               |
| 68       | <b>DEFERRED DEBITS</b>  |                      |   |   |
| 69       | Unamortized Debt Expenses (181)   |                      | 14,485,787  | 13,714,625                                |
| 70       | Extraordinary Property Losses (182.1)                                   | 230a                 | 0   | 0   |
| 71       | Unrecovered Plant and Regulatory Study Costs (182.2)                    | 230b                 | 0   | 0   |
| 72       | Other Regulatory Assets (182.3)   | 232                  | 39,394,887  | 33,242,142                                |
| 73       | Prelim. Survey and Investigation Charges (Electric) (183)               |                      | 5,250   | 179,135                                   |
| 74       | Preliminary Natural Gas Survey and Investigation Charges 183.1)         |                      | 0   | 0   |
| 75       | Other Preliminary Survey and Investigation Charges (183.2)              |                      | 0   | 0   |
| 76       | Clearing Accounts (184)   |                      | 0   | 0   |
| 77       | Temporary Facilities (185)  |                      | 0   | 0   |
| 78       | Miscellaneous Deferred Debits (186)                                     | 233                  | 103,107   | 222,482                                   |
| 79       | Def. Losses from Disposition of Utility Plt. (187)                      |                      | 0   | 0   |
| 80       | Research, Devel. and Demonstration Expend. (188)                        | 352-353              | 0   | 0   |
| 81       | Unamortized Loss on Reaquired Debt (189)                                |                      | 0   | 0   |
| 82       | Accumulated Deferred Income Taxes (190)                                 | 234                  | 15,008,843  | 8,218,042                                 |
| 83       | Unrecovered Purchased Gas Costs (191)                                   |                      | 0   | 0   |
| 84       | Total Deferred Debits (lines 69 through 83)                             |                      | 68,997,874  | 55,576,426                                |
| 85       | TOTAL ASSETS (lines 14-16, 32, 67, and 84)                              |                      | 1,869,847,318   | 1,641,075,334                             |

|  |   |  |   |
|--|---|--|---|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(mo, da, yr)<br>12/31/2012 | Year/Period of Report<br>end of 2012/Q4 |
|--|---|--|---|

**COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)**

| Line No. | Title of Account<br>(a)   | Ref. Page No.<br>(b) | Current Year<br>End of Quarter/Year<br>Balance<br>(c) | Prior Year<br>End Balance<br>12/31<br>(d) |
|----------|---|----------------------|---|---|
| 1        | PROPRIETARY CAPITAL   |                      |   |   |
| 2        | Common Stock Issued (201)                                       | 250-251              | 10,000,000  | 10,000,000                                |
| 3        | Preferred Stock Issued (204)                                    | 250-251              | 0   | 0   |
| 4        | Capital Stock Subscribed (202, 205)                             |                      | 0   | 0   |
| 5        | Stock Liability for Conversion (203, 206)                       |                      | 0   | 0   |
| 6        | Premium on Capital Stock (207)                                  |                      | 0   | 0   |
| 7        | Other Paid-In Capital (208-211)                                 | 253                  | 0   | 0   |
| 8        | Installments Received on Capital Stock (212)                    | 252                  | 0   | 0   |
| 9        | (Less) Discount on Capital Stock (213)                          | 254                  | 0   | 0   |
| 10       | (Less) Capital Stock Expense (214)                              | 254b                 | 0   | 0   |
| 11       | Retained Earnings (215, 215.1, 216)                             | 118-119              | 5,293,968   | 4,037,278                                 |
| 12       | Unappropriated Undistributed Subsidiary Earnings (216.1)        | 118-119              | 0   | 0   |
| 13       | (Less) Reaquired Capital Stock (217)                            | 250-251              | 0   | 0   |
| 14       | Noncorporate Proprietorship (Non-major only) (218)              |                      | 0   | 0   |
| 15       | Accumulated Other Comprehensive Income (219)                    | 122(a)(b)            | 0   | 0   |
| 16       | Total Proprietary Capital (lines 2 through 15)                  |                      | 15,293,968  | 14,037,278                                |
| 17       | LONG-TERM DEBT  |                      |   |   |
| 18       | Bonds (221)   | 256-257              | 600,000,000   | 300,000,000                               |
| 19       | (Less) Reaquired Bonds (222)                                    | 256-257              | 0   | 0   |
| 20       | Advances from Associated Companies (223)                        | 256-257              | 0   | 0   |
| 21       | Other Long-Term Debt (224)                                      | 256-257              | 1,057,082,302   | 1,133,002,486                             |
| 22       | Unamortized Premium on Long-Term Debt (225)                     |                      | 291,235   | 0   |
| 23       | (Less) Unamortized Discount on Long-Term Debt-Debit (226)       |                      | 887,297   | 0   |
| 24       | Total Long-Term Debt (lines 18 through 23)                      |                      | 1,656,486,240   | 1,433,002,486                             |
| 25       | OTHER NONCURRENT LIABILITIES                                    |                      |   |   |
| 26       | Obligations Under Capital Leases - Noncurrent (227)             |                      | 808,057   | 776,364                                   |
| 27       | Accumulated Provision for Property Insurance (228.1)            |                      | 0   | 0   |
| 28       | Accumulated Provision for Injuries and Damages (228.2)          |                      | 0   | 0   |
| 29       | Accumulated Provision for Pensions and Benefits (228.3)         |                      | 64,980,165  | 72,477,946                                |
| 30       | Accumulated Miscellaneous Operating Provisions (228.4)          |                      | 0   | 0   |
| 31       | Accumulated Provision for Rate Refunds (229)                    |                      | 0   | 0   |
| 32       | Long-Term Portion of Derivative Instrument Liabilities          |                      | 0   | 0   |
| 33       | Long-Term Portion of Derivative Instrument Liabilities - Hedges |                      | 0   | 0   |
| 34       | Asset Retirement Obligations (230)                              |                      | 7,954,543   | 7,461,168                                 |
| 35       | Total Other Noncurrent Liabilities (lines 26 through 34)        |                      | 73,742,765  | 80,715,478                                |
| 36       | CURRENT AND ACCRUED LIABILITIES                                 |                      |   |   |
| 37       | Notes Payable (231)   |                      | 0   | 0   |
| 38       | Accounts Payable (232)  |                      | 29,144,859  | 37,473,503                                |
| 39       | Notes Payable to Associated Companies (233)                     |                      | 0   | 0   |
| 40       | Accounts Payable to Associated Companies (234)                  |                      | 0   | 0   |
| 41       | Customer Deposits (235)   |                      | 0   | 0   |
| 42       | Taxes Accrued (236)   | 262-263              | 5,631,604   | 5,648,598                                 |
| 43       | Interest Accrued (237)  |                      | 15,284,211  | 14,184,462                                |
| 44       | Dividends Declared (238)  |                      | 0   | 0   |
| 45       | Matured Long-Term Debt (239)                                    |                      | 0   | 0   |

|  |   |  |   |
|--|---|--|---|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(mo, da, yr)<br>12/31/2012 | Year/Period of Report<br>end of 2012/Q4 |
|--|---|--|---|

**COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)** (continued)

| Line No. | Title of Account<br>(a)  | Ref. Page No.<br>(b) | Current Year<br>End of Quarter/Year<br>Balance<br>(c) | Prior Year<br>End Balance<br>12/31<br>(d) |
|----------|--|----------------------|---|---|
| 46       | Matured Interest (240)   |                      | 0   | 0   |
| 47       | Tax Collections Payable (241)  |                      | 20,516  | 19,621                                    |
| 48       | Miscellaneous Current and Accrued Liabilities (242)                    |                      | 4,893,327   | 4,696,037                                 |
| 49       | Obligations Under Capital Leases-Current (243)                         |                      | 147,992   | 8,278                                     |
| 50       | Derivative Instrument Liabilities (244)                                |                      | 0   | 0   |
| 51       | (Less) Long-Term Portion of Derivative Instrument Liabilities          |                      | 0   | 0   |
| 52       | Derivative Instrument Liabilities - Hedges (245)                       |                      | 0   | 0   |
| 53       | (Less) Long-Term Portion of Derivative Instrument Liabilities-Hedges   |                      | 0   | 0   |
| 54       | Total Current and Accrued Liabilities (lines 37 through 53)            |                      | 55,122,509  | 62,030,499                                |
| 55       | DEFERRED CREDITS   |                      |   |   |
| 56       | Customer Advances for Construction (252)                               |                      | 12,257,277  | 19,225,121                                |
| 57       | Accumulated Deferred Investment Tax Credits (255)                      | 266-267              | 3,393,146   | 3,393,146                                 |
| 58       | Deferred Gains from Disposition of Utility Plant (256)                 |                      | 0   | 0   |
| 59       | Other Deferred Credits (253)   | 269                  | 28,029,955  | 0   |
| 60       | Other Regulatory Liabilities (254)                                     | 278                  | 25,521,458  | 28,671,326                                |
| 61       | Unamortized Gain on Reaquired Debt (257)                               |                      | 0   | 0   |
| 62       | Accum. Deferred Income Taxes-Accel. Amort.(281)                        | 272-277              | 0   | 0   |
| 63       | Accum. Deferred Income Taxes-Other Property (282)                      |                      | 0   | 0   |
| 64       | Accum. Deferred Income Taxes-Other (283)                               |                      | 0   | 0   |
| 65       | Total Deferred Credits (lines 56 through 64)                           |                      | 69,201,836  | 51,289,593                                |
| 66       | TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65) |                      | 1,869,847,318   | 1,641,075,334                             |

|  |   |  |   |
|--|---|--|---|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of 2012/Q4 |
|--|---|--|---|

**STATEMENT OF INCOME**

**Quarterly**

1. Report in column (c) the current year to date balance. Column (c) equals the total of adding the data in column (g) plus the data in column (i) plus the data in column (k). Report in column (d) similar data for the previous year. This information is reported in the annual filing only.
2. Enter in column (e) the balance for the reporting quarter and in column (f) the balance for the same three month period for the prior year.
3. Report in column (g) the quarter to date amounts for electric utility function; in column (i) the quarter to date amounts for gas utility, and in column (k) the quarter to date amounts for other utility function for the current year quarter.
4. Report in column (h) the quarter to date amounts for electric utility function; in column (j) the quarter to date amounts for gas utility, and in column (l) the quarter to date amounts for other utility function for the prior year quarter.
5. If additional columns are needed, place them in a footnote.

**Annual or Quarterly if applicable**

5. Do not report fourth quarter data in columns (e) and (f)
6. Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in another utility column in a similar manner to a utility department. Spread the amount(s) over lines 2 thru 26 as appropriate. Include these amounts in columns (c) and (d) totals.
7. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.

| Line No. | Title of Account<br>(a)  | (Ref.)<br>Page No.<br>(b) | Total<br>Current Year to<br>Date Balance for<br>Quarter/Year<br>(c) | Total<br>Prior Year to<br>Date Balance for<br>Quarter/Year<br>(d) | Current 3 Months<br>Ended<br>Quarterly Only<br>No 4th Quarter<br>(e) | Prior 3 Months<br>Ended<br>Quarterly Only<br>No 4th Quarter<br>(f) |
|----------|--|---------------------------|---|---|--|--|
| 1        | UTILITY OPERATING INCOME   |                           |   |   |  |  |
| 2        | Operating Revenues (400)   | 300-301                   | 670,819,257   | 716,938,129   |  |  |
| 3        | Operating Expenses   |                           |   |   |  |  |
| 4        | Operation Expenses (401)   | 320-323                   | 486,106,413   | 569,589,375   |  |  |
| 5        | Maintenance Expenses (402)   | 320-323                   | 46,001,591  | 38,163,186  |  |  |
| 6        | Depreciation Expense (403)   | 336-337                   | 58,453,907  | 39,273,020  |  |  |
| 7        | Depreciation Expense for Asset Retirement Costs (403.1)                | 336-337                   |   |   |  |  |
| 8        | Amort. & Depl. of Utility Plant (404-405)                              | 336-337                   |   |   |  |  |
| 9        | Amort. of Utility Plant Acq. Adj. (406)                                | 336-337                   |   |   |  |  |
| 10       | Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407) |                           |   |   |  |  |
| 11       | Amort. of Conversion Expenses (407)                                    |                           |   |   |  |  |
| 12       | Regulatory Debits (407.3)  |                           |   |   |  |  |
| 13       | (Less) Regulatory Credits (407.4)                                      |                           |   |   |  |  |
| 14       | Taxes Other Than Income Taxes (408.1)                                  | 262-263                   | 6,198,472   | 6,182,742   |  |  |
| 15       | Income Taxes - Federal (409.1)   | 262-263                   | 6,903,830   | 13,252,631  |  |  |
| 16       | - Other (409.1)  | 262-263                   | 877,380   | -7,380  |  |  |
| 17       | Provision for Deferred Income Taxes (410.1)                            | 234, 272-277              | -6,888,521  | -12,121,744   |  |  |
| 18       | (Less) Provision for Deferred Income Taxes-Cr. (411.1)                 | 234, 272-277              |   |   |  |  |
| 19       | Investment Tax Credit Adj. - Net (411.4)                               | 266                       |   |   |  |  |
| 20       | (Less) Gains from Disp. of Utility Plant (411.6)                       |                           |   |   |  |  |
| 21       | Losses from Disp. of Utility Plant (411.7)                             |                           |   |   |  |  |
| 22       | (Less) Gains from Disposition of Allowances (411.8)                    |                           |   |   |  |  |
| 23       | Losses from Disposition of Allowances (411.9)                          |                           |   |   |  |  |
| 24       | Accretion Expense (411.10)   |                           |   |   |  |  |
| 25       | TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)      |                           | 597,653,072   | 654,331,830   |  |  |
| 26       | Net Util Oper Inc (Enter Tot line 2 less 25) Carry to Pg117,line 27    |                           | 73,166,185  | 62,606,299  |  |  |
|          |  |                           |   |   |  |  |

|  |   |  |   |
|--|---|--|---|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of 2012/Q4 |
|--|---|--|---|

**STATEMENT OF INCOME FOR THE YEAR (Continued)**

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

| ELECTRIC UTILITY                            |  | GAS UTILITY                                 |  | OTHER UTILITY                               |  | Line No. |
|---|--|---|--|---|--|----------|
| Current Year to Date<br>(in dollars)<br>(g) | Previous Year to Date<br>(in dollars)<br>(h) | Current Year to Date<br>(in dollars)<br>(i) | Previous Year to Date<br>(in dollars)<br>(j) | Current Year to Date<br>(in dollars)<br>(k) | Previous Year to Date<br>(in dollars)<br>(l) |          |
|   |  |   |  |   |  | 1        |
| 670,819,257                                 | 716,938,129                                  |   |  |   |  | 2        |
|   |  |   |  |   |  | 3        |
| 486,106,413                                 | 569,589,375                                  |   |  |   |  | 4        |
| 46,001,591                                  | 38,163,186                                   |   |  |   |  | 5        |
| 58,453,907                                  | 39,273,020                                   |   |  |   |  | 6        |
|   |  |   |  |   |  | 7        |
|   |  |   |  |   |  | 8        |
|   |  |   |  |   |  | 9        |
|   |  |   |  |   |  | 10       |
|   |  |   |  |   |  | 11       |
|   |  |   |  |   |  | 12       |
|   |  |   |  |   |  | 13       |
| 6,198,472                                   | 6,182,742                                    |   |  |   |  | 14       |
| 6,903,830                                   | 13,252,631                                   |   |  |   |  | 15       |
| 877,380                                     | -7,380                                       |   |  |   |  | 16       |
| -6,888,521                                  | -12,121,744                                  |   |  |   |  | 17       |
|   |  |   |  |   |  | 18       |
|   |  |   |  |   |  | 19       |
|   |  |   |  |   |  | 20       |
|   |  |   |  |   |  | 21       |
|   |  |   |  |   |  | 22       |
|   |  |   |  |   |  | 23       |
|   |  |   |  |   |  | 24       |
| 597,653,072                                 | 654,331,830                                  |   |  |   |  | 25       |
| 73,166,185                                  | 62,606,299                                   |   |  |   |  | 26       |
|   |  |   |  |   |  |          |

|  |   |  |   |
|--|---|--|---|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of 2012/Q4 |
|--|---|--|---|

STATEMENT OF INCOME FOR THE YEAR (continued)

| Line No. | Title of Account<br>(a)  | (Ref.)<br>Page No.<br>(b) | TOTAL               |                      | Current 3 Months<br>Ended<br>Quarterly Only<br>No 4th Quarter<br>(e) | Prior 3 Months<br>Ended<br>Quarterly Only<br>No 4th Quarter<br>(f) |
|----------|--|---------------------------|---------------------|----------------------|--|--|
|          |  |                           | Current Year<br>(c) | Previous Year<br>(d) |  |  |
| 27       | Net Utility Operating Income (Carried forward from page 114)           |                           | 73,166,185          | 62,606,299           |  |  |
| 28       | Other Income and Deductions  |                           |                     |                      |  |  |
| 29       | Other Income   |                           |                     |                      |  |  |
| 30       | Nonutility Operating Income  |                           |                     |                      |  |  |
| 31       | Revenues From Merchandising, Jobbing and Contract Work (415)           |                           |                     |                      |  |  |
| 32       | (Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)     |                           |                     |                      |  |  |
| 33       | Revenues From Nonutility Operations (417)                              |                           |                     |                      |  |  |
| 34       | (Less) Expenses of Nonutility Operations (417.1)                       |                           |                     |                      |  |  |
| 35       | Nonoperating Rental Income (418)                                       |                           |                     |                      |  |  |
| 36       | Equity in Earnings of Subsidiary Companies (418.1)                     | 119                       |                     |                      |  |  |
| 37       | Interest and Dividend Income (419)                                     |                           | 8,608,674           | 10,664,153           |  |  |
| 38       | Allowance for Other Funds Used During Construction (419.1)             |                           |                     |                      |  |  |
| 39       | Miscellaneous Nonoperating Income (421)                                |                           | 84,779              | 205,500              |  |  |
| 40       | Gain on Disposition of Property (421.1)                                |                           |                     |                      |  |  |
| 41       | TOTAL Other Income (Enter Total of lines 31 thru 40)                   |                           | 8,693,453           | 10,869,653           |  |  |
| 42       | Other Income Deductions  |                           |                     |                      |  |  |
| 43       | Loss on Disposition of Property (421.2)                                |                           |                     |                      |  |  |
| 44       | Miscellaneous Amortization (425)                                       |                           |                     |                      |  |  |
| 45       | Donations (426.1)  |                           | 48,206              | 37,924               |  |  |
| 46       | Life Insurance (426.2)   |                           |                     |                      |  |  |
| 47       | Penalties (426.3)  |                           | 153                 | 37,677               |  |  |
| 48       | Exp. for Certain Civic, Political & Related Activities (426.4)         |                           | 10,980              | 5,030                |  |  |
| 49       | Other Deductions (426.5)   |                           | 375                 |                      |  |  |
| 50       | TOTAL Other Income Deductions (Total of lines 43 thru 49)              |                           | 59,714              | 80,631               |  |  |
| 51       | Taxes Applic. to Other Income and Deductions                           |                           |                     |                      |  |  |
| 52       | Taxes Other Than Income Taxes (408.2)                                  | 262-263                   |                     |                      |  |  |
| 53       | Income Taxes-Federal (409.2)   | 262-263                   |                     |                      |  |  |
| 54       | Income Taxes-Other (409.2)   | 262-263                   |                     |                      |  |  |
| 55       | Provision for Deferred Inc. Taxes (410.2)                              | 234, 272-277              |                     |                      |  |  |
| 56       | (Less) Provision for Deferred Income Taxes-Cr. (411.2)                 | 234, 272-277              |                     |                      |  |  |
| 57       | Investment Tax Credit Adj.-Net (411.5)                                 |                           |                     |                      |  |  |
| 58       | (Less) Investment Tax Credits (420)                                    |                           |                     |                      |  |  |
| 59       | TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)      |                           |                     |                      |  |  |
| 60       | Net Other Income and Deductions (Total of lines 41, 50, 59)            |                           | 8,633,739           | 10,789,022           |  |  |
| 61       | Interest Charges   |                           |                     |                      |  |  |
| 62       | Interest on Long-Term Debt (427)                                       |                           | 71,728,456          | 67,019,894           |  |  |
| 63       | Amort. of Debt Disc. and Expense (428)                                 |                           | 4,612,598           | 1,478,943            |  |  |
| 64       | Amortization of Loss on Reaquired Debt (428.1)                         |                           |                     |                      |  |  |
| 65       | (Less) Amort. of Premium on Debt-Credit (429)                          |                           | 5,981               |                      |  |  |
| 66       | (Less) Amortization of Gain on Reaquired Debt-Credit (429.1)           |                           |                     |                      |  |  |
| 67       | Interest on Debt to Assoc. Companies (430)                             |                           |                     |                      |  |  |
| 68       | Other Interest Expense (431)   |                           | 3,208,161           | 2,226,380            |  |  |
| 69       | (Less) Allowance for Borrowed Funds Used During Construction-Cr. (432) |                           |                     |                      |  |  |
| 70       | Net Interest Charges (Total of lines 62 thru 69)                       |                           | 79,543,234          | 70,725,217           |  |  |
| 71       | Income Before Extraordinary Items (Total of lines 27, 60 and 70)       |                           | 2,256,690           | 2,670,104            |  |  |
| 72       | Extraordinary Items  |                           |                     |                      |  |  |
| 73       | Extraordinary Income (434)   |                           |                     |                      |  |  |
| 74       | (Less) Extraordinary Deductions (435)                                  |                           |                     |                      |  |  |
| 75       | Net Extraordinary Items (Total of line 73 less line 74)                |                           |                     |                      |  |  |
| 76       | Income Taxes-Federal and Other (409.3)                                 | 262-263                   |                     |                      |  |  |
| 77       | Extraordinary Items After Taxes (line 75 less line 76)                 |                           |                     |                      |  |  |
| 78       | Net Income (Total of line 71 and 77)                                   |                           | 2,256,690           | 2,670,104            |  |  |

|  |   |  |   |
|--|---|--|---|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of 2012/Q4 |
|--|---|--|---|

**STATEMENT OF RETAINED EARNINGS**

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

| Line No. | Item (a)  | Contra Primary Account Affected (b) | Current Quarter/Year Year to Date Balance (c) | Previous Quarter/Year Year to Date Balance (d) |
|----------|---|-------------------------------------|---|--|
|          | <b>UNAPPROPRIATED RETAINED EARNINGS (Account 216)</b>               |                                     |   |  |
| 1        | Balance-Beginning of Period   |                                     | 4,037,278                                     | 2,367,174                                      |
| 2        | Changes   |                                     |   |  |
| 3        | Adjustments to Retained Earnings (Account 439)                      |                                     |   |  |
| 4        |   |                                     |   |  |
| 5        |   |                                     |   |  |
| 6        |   |                                     |   |  |
| 7        |   |                                     |   |  |
| 8        |   |                                     |   |  |
| 9        | TOTAL Credits to Retained Earnings (Acct. 439)                      |                                     |   |  |
| 10       |   |                                     |   |  |
| 11       |   |                                     |   |  |
| 12       |   |                                     |   |  |
| 13       |   |                                     |   |  |
| 14       |   |                                     |   |  |
| 15       | TOTAL Debits to Retained Earnings (Acct. 439)                       |                                     |   |  |
| 16       | Balance Transferred from Income (Account 433 less Account 418.1)    |                                     | 2,256,690                                     | 2,670,104                                      |
| 17       | Appropriations of Retained Earnings (Acct. 436)                     |                                     |   |  |
| 18       |   |                                     |   |  |
| 19       |   |                                     |   |  |
| 20       |   |                                     |   |  |
| 21       |   |                                     |   |  |
| 22       | TOTAL Appropriations of Retained Earnings (Acct. 436)               |                                     |   |  |
| 23       | Dividends Declared-Preferred Stock (Account 437)                    |                                     |   |  |
| 24       |   |                                     |   |  |
| 25       |   |                                     |   |  |
| 26       |   |                                     |   |  |
| 27       |   |                                     |   |  |
| 28       |   |                                     |   |  |
| 29       | TOTAL Dividends Declared-Preferred Stock (Acct. 437)                |                                     |   |  |
| 30       | Dividends Declared-Common Stock (Account 438)                       |                                     |   |  |
| 31       |   |                                     | -1,000,000                                    | ( 1,000,000)                                   |
| 32       |   |                                     |   |  |
| 33       |   |                                     |   |  |
| 34       |   |                                     |   |  |
| 35       |   |                                     |   |  |
| 36       | TOTAL Dividends Declared-Common Stock (Acct. 438)                   |                                     | -1,000,000                                    | ( 1,000,000)                                   |
| 37       | Transfers from Acct 216.1, Unapprop. Undistrib. Subsidiary Earnings |                                     |   |  |
| 38       | Balance - End of Period (Total 1,9,15,16,22,29,36,37)               |                                     | 5,293,968                                     | 4,037,278                                      |
|          | <b>APPROPRIATED RETAINED EARNINGS (Account 215)</b>                 |                                     |   |  |



|  |   |  |   |
|--|---|--|---|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of 2012/Q4 |
|--|---|--|---|

**STATEMENT OF CASH FLOWS**

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

| Line No. | Description (See Instruction No. 1 for Explanation of Codes)<br>(a)   | Current Year to Date<br>Quarter/Year<br>(b) | Previous Year to Date<br>Quarter/Year<br>(c) |
|----------|---|---|--|
| 1        | Net Cash Flow from Operating Activities:                              |   |  |
| 2        | Net Income (Line 78(c) on page 117)                                   | 2,256,690                                   | 2,670,104                                    |
| 3        | Noncash Charges (Credits) to Income:                                  |   |  |
| 4        | Depreciation and Depletion  | 58,453,907                                  | 39,273,020                                   |
| 5        | Amortization of Debt Expense  | 4,606,617                                   | 1,478,943                                    |
| 6        | (Gain)/Loss on Marketable Securities                                  | -4,676,784                                  | -7,093,111                                   |
| 7        |   |   |  |
| 8        | Deferred Income Taxes (Net)   | 2,841,185                                   | -1,057,000                                   |
| 9        | Investment Tax Credit Adjustment (Net)                                |   |  |
| 10       | Net (Increase) Decrease in Receivables                                | 4,119,114                                   | 3,385,954                                    |
| 11       | Net (Increase) Decrease in Inventory                                  | -11,834,767                                 | 6,559,455                                    |
| 12       | Net (Increase) Decrease in Allowances Inventory                       | -58,130                                     | 612,810                                      |
| 13       | Net Increase (Decrease) in Payables and Accrued Expenses              | 8,116,623                                   | 5,575,353                                    |
| 14       | Net (Increase) Decrease in Other Regulatory Assets                    | 5,942,308                                   | -18,020,274                                  |
| 15       | Net Increase (Decrease) in Other Regulatory Liabilities               | 3,153,047                                   | -9,094,231                                   |
| 16       | (Less) Allowance for Other Funds Used During Construction             |   |  |
| 17       | (Less) Undistributed Earnings from Subsidiary Companies               |   |  |
| 18       | Other (provide details in footnote):                                  | -28,473,953                                 | 61,738,595                                   |
| 19       |   |   |  |
| 20       |   |   |  |
| 21       |   |   |  |
| 22       | Net Cash Provided by (Used in) Operating Activities (Total 2 thru 21) | 44,445,857                                  | 86,029,618                                   |
| 23       |   |   |  |
| 24       | Cash Flows from Investment Activities:                                |   |  |
| 25       | Construction and Acquisition of Plant (including land):               |   |  |
| 26       | Gross Additions to Utility Plant (less nuclear fuel)                  | -50,505,005                                 | -63,563,609                                  |
| 27       | Gross Additions to Nuclear Fuel                                       |   |  |
| 28       | Gross Additions to Common Utility Plant                               |   |  |
| 29       | Gross Additions to Nonutility Plant                                   |   |  |
| 30       | (Less) Allowance for Other Funds Used During Construction             |   |  |
| 31       | Other (provide details in footnote):                                  |   |  |
| 32       |   |   |  |
| 33       |   |   |  |
| 34       | Cash Outflows for Plant (Total of lines 26 thru 33)                   | -50,505,005                                 | -63,563,609                                  |
| 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        | -131,176,807                                | -79,688,767                                  |
| 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)                                 | -81,086,366                                 | -33,622,347                                  |
| 45       | Proceeds from Sales of Investment Securities (a)                      | 16,383,803                                  | 22,623,110                                   |

|  |   |  |   |
|--|---|--|---|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of 2012/Q4 |
|--|---|--|---|

**STATEMENT OF CASH FLOWS**

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

| Line No. | Description (See Instruction No. 1 for Explanation of Codes)<br>(a) | Current Year to Date<br>Quarter/Year<br>(b) | Previous Year to Date<br>Quarter/Year<br>(c) |
|----------|---|---|--|
| 46       | Loans Made or Purchased   |   |  |
| 47       | Collections on Loans  |   |  |
| 48       |   |   |  |
| 49       | Net (Increase) Decrease in Receivables                              |   |  |
| 50       | Net (Increase ) Decrease in Inventory                               |   |  |
| 51       | Net (Increase) Decrease in Allowances Held for Speculation          |   |  |
| 52       | Net Increase (Decrease) in Payables and Accrued Expenses            |   |  |
| 53       | Other (provide details in footnote):                                |   |  |
| 54       |   |   |  |
| 55       |   |   |  |
| 56       | Net Cash Provided by (Used in) Investing Activities                 |   |  |
| 57       | Total of lines 34 thru 55)  | -246,384,375                                | -154,251,613                                 |
| 58       |   |   |  |
| 59       | Cash Flows from Financing Activities:                               |   |  |
| 60       | Proceeds from Issuance of:  |   |  |
| 61       | Long-Term Debt (b)  | 459,403,938                                 | 180,000,000                                  |
| 62       | Preferred Stock   |   |  |
| 63       | Common Stock  |   |  |
| 64       | Other (provide details in footnote):                                |   |  |
| 65       | Loan Origination Costs  | -5,377,779                                  | -3,807,975                                   |
| 66       | Net Increase in Short-Term Debt (c)                                 |   |  |
| 67       | Other (provide details in footnote):                                |   |  |
| 68       | Advances from Parent  |   |  |
| 69       |   |   |  |
| 70       | Cash Provided by Outside Sources (Total 61 thru 69)                 | 454,026,159                                 | 176,192,025                                  |
| 71       |   |   |  |
| 72       | Payments for Retirement of:   |   |  |
| 73       | Long-term Debt (b)  | -235,920,184                                | -124,220,240                                 |
| 74       | Preferred Stock   |   |  |
| 75       | Common Stock  |   |  |
| 76       | Other (provide details in footnote):                                |   |  |
| 77       |   |   |  |
| 78       | Net Decrease in Short-Term Debt (c)                                 |   |  |
| 79       |   |   |  |
| 80       | Dividends on Preferred Stock  |   |  |
| 81       | Dividends on Common Stock   | -1,000,000                                  | -1,000,000                                   |
| 82       | Net Cash Provided by (Used in) Financing Activities                 |   |  |
| 83       | (Total of lines 70 thru 81)   | 217,105,975                                 | 50,971,785                                   |
| 84       |   |   |  |
| 85       | Net Increase (Decrease) in Cash and Cash Equivalents                |   |  |
| 86       | (Total of lines 22,57 and 83)                                       | 15,167,457                                  | -17,250,210                                  |
| 87       |   |   |  |
| 88       | Cash and Cash Equivalents at Beginning of Period                    | 4,734,148                                   | 21,984,358                                   |
| 89       |   |   |  |
| 90       | Cash and Cash Equivalents at End of period                          | 19,901,605                                  | 4,734,148                                    |
|          |   |   |  |

|                                  |  |                            |                       |
|----------------------------------|--|----------------------------|-----------------------|
| Name of Respondent               | This Report is:  | Date of Report             | Year/Period of Report |
| Ohio Valley Electric Corporation | (1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | (Mo, Da, Yr)<br>12/31/2012 | 2012/Q4               |
| FOOTNOTE DATA                    |  |                            |                       |

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

Other:

|   |                        |
|---|------------------------|
| Property Taxes Applicable to Subsequent Years | \$ 18,480              |
| Income Taxes Receivable                       | (14,449,233)           |
| Prepays and Other                             | (190,326)              |
| Other Noncurrent Assets                       | 119,375                |
| Deferred Revenue                              | (6,967,844)            |
| Other Liabilities                             | <u>(7,004,405)</u>     |
| <b>Total</b>                                  | <b>\$ (28,473,953)</b> |

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

Other:

|   |                     |
|---|---------------------|
| Property Taxes Applicable to Subsequent Years | \$ (19,920)         |
| Income Taxes Receivable                       | 12,044,270          |
| Prepays and Other                             | 191,417             |
| Other Assets                                  | (215,369)           |
| Other Noncurrent Assets                       | (222,242)           |
| Deferred Revenue                              | 13,476,082          |
| Other Liabilities                             | <u>36,484,357</u>   |
| <b>Total</b>                                  | <b>\$61,738,595</b> |

|  |   |                              |  |
|--|---|------------------------------|--|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>12/31/2012 | Year/Period of Report<br>End of <u>2012/Q4</u> |
|--|---|------------------------------|--|

**NOTES TO FINANCIAL STATEMENTS**

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

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

|   |   |  |                                  |
|---|---|--|----------------------------------|
| Name of Respondent                        | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>2012/Q4 |
| Ohio Valley Electric Corporation          |   |  |                                  |
| NOTES TO FINANCIAL STATEMENTS (Continued) |   |  |                                  |

This FERC Form 1 represents the financial statements of Ohio Valley Electric Corporation at December 31, 2012. Ohio Valley Electric Corporation's financial statements have been prepared in conformity with the requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases, which is a comprehensive basis of accounting other than generally accepted accounting principles. The following areas represent significant differences between the Uniform System of Accounts and generally accepted accounting principles: (1) the presentation of majority-owned subsidiaries, (2) the disclosure of certain significant non-cash transactions, (3) the presentation of current and non-current portions of long-term debt, deferred taxes, and certain other assets and liabilities, (4) the presentation of preliminary survey and investigation charges, and (5) the gross presentation of certain regulatory assets and regulatory liabilities.

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

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

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

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

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

## OHIO VALLEY ELECTRIC CORPORATION AND SUBSIDIARY COMPANY

### NOTES TO CONSOLIDATING FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

#### 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

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

**Organization** — The Companies own two generating stations located in Ohio and Indiana with a combined electric production capability of approximately 2,256 megawatts. OVEC is owned by several investor-owned utilities or utility holding companies and two affiliates of generation and transmission rural electric cooperatives. These

|   |   |  |                                  |
|---|---|--|----------------------------------|
| Name of Respondent                        | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>2012/Q4 |
| Ohio Valley Electric Corporation          |   |  |                                  |
| NOTES TO FINANCIAL STATEMENTS (Continued) |   |  |                                  |

entities or their affiliates comprise the Sponsoring Companies. The Sponsoring Companies purchase power from OVEC according to the terms of the Inter-Company Power Agreement (ICPA), which has a current termination date of June 30, 2040. Approximately 27% of the Companies' employees are covered by a collective bargaining agreement that expires August 31, 2014.

Prior to 2004, OVEC's primary commercial customer was the U.S. Department of Energy (DOE). The contract to provide OVEC-generated power to the DOE was terminated in 2003 and all obligations were settled at that time. Currently, OVEC has an agreement to arrange for the purchase of power (Arranged Power), under the direction of the DOE, for resale directly to the DOE. All purchase costs are billable by OVEC to the DOE.

**Rate Regulation** — The proceeds from the sale of power to the Sponsoring Companies are designed to be sufficient for OVEC to meet its operating expenses and fixed costs, as well as earn a return on equity before federal income taxes. In addition, the proceeds from power sales are designed to cover debt amortization and interest expense associated with financings. The Companies have continued and expect to continue to operate pursuant to the cost plus rate of return recovery provisions at least to June 30, 2040, the date of termination of the ICPA.

The accounting guidance for Regulated Operations provides that rate-regulated utilities account for and report assets and liabilities consistent with the economic effect of the way in which rates are established, if the rates established are designed to recover the costs of providing the regulated service and it is probable that such rates can be charged and collected. The Companies follow the accounting and reporting requirements in accordance with the guidance for Regulated Operations. Certain expenses and credits subject to utility regulation or rate determination normally reflected in income are deferred on the accompanying consolidating balance sheets and are recognized in income as the related amounts are included in service rates and recovered from or refunded to customers.

The Companies' regulatory assets, liabilities, and amounts authorized for recovery through Sponsor billings at December 31, 2012 and 2011, were as follows:

|   |   |  |                                  |
|---|---|--|----------------------------------|
| Name of Respondent                        | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>2012/Q4 |
| Ohio Valley Electric Corporation          |   |  |                                  |
| NOTES TO FINANCIAL STATEMENTS (Continued) |   |  |                                  |

|   | 2012                |                     | 2011                |                     |
|---|---------------------|---------------------|---------------------|---------------------|
|   | OVEC                | IKEC                | OVEC                | IKEC                |
| Regulatory assets:                                |                     |                     |                     |                     |
| Current assets:                                   |                     |                     |                     |                     |
| Lease termination costs/liquidated damages        | \$ 5,225,467        | \$ -                | \$ -                | \$ -                |
| Unrecognized loss on coal sales                   | -                   | 3,051,890           | -                   | -                   |
| Total   | <u>5,225,467</u>    | <u>3,051,890</u>    | <u>-</u>            | <u>-</u>            |
| Other assets:                                     |                     |                     |                     |                     |
| Unrecognized postemployment benefits              | 1,132,247           | 1,366,512           | 1,109,542           | 1,303,143           |
| Pension benefits                                  | 17,529,976          | 13,031,349          | 28,720,456          | 22,202,339          |
| Postretirement benefits                           | -                   | 16,122,553          | -                   | 15,762,985          |
| Income taxes billable to customers                | 14,950,738          | -                   | 2,855,684           | 60,458              |
| Total   | <u>33,612,961</u>   | <u>30,520,414</u>   | <u>32,685,682</u>   | <u>39,328,925</u>   |
| Total regulatory assets                           | <u>\$38,838,428</u> | <u>\$33,572,304</u> | <u>\$32,685,682</u> | <u>\$39,328,925</u> |
| Regulatory liabilities:                           |                     |                     |                     |                     |
| Current liabilities:                              |                     |                     |                     |                     |
| Deferred credit — EPA emission allowance proceeds | \$ 242,863          | \$ 31,824           | \$ 238,268          | \$ 31,238           |
| Advance collection of interest                    | 2,311,907           | -                   | 2,704,350           | -                   |
| Total   | <u>2,554,770</u>    | <u>31,824</u>       | <u>2,942,618</u>    | <u>31,238</u>       |
| Other liabilities:                                |                     |                     |                     |                     |
| Postretirement benefits                           | 14,797,778          | -                   | 12,782,375          | -                   |
| Decommissioning and demolition                    | 6,939,381           | 7,291,078           | 5,413,889           | 5,196,676           |
| Investment tax credits                            | 3,393,146           | -                   | 3,393,146           | -                   |
| Net antitrust settlement                          | 673,070             | 1,150,859           | 673,070             | 1,150,859           |
| Deferred tax liability                            | -                   | -                   | 6,302,915           | -                   |
| Income taxes refundable to customers              | -                   | 53,596,385          | -                   | 43,201,072          |
| Total   | <u>25,803,375</u>   | <u>62,038,322</u>   | <u>28,565,395</u>   | <u>49,548,607</u>   |
| Total regulatory liabilities                      | <u>\$28,358,145</u> | <u>\$62,070,146</u> | <u>\$31,508,013</u> | <u>\$49,579,845</u> |

**Regulatory Assets** — Regulatory assets consist primarily of postretirement benefits, income taxes billable to customers, and pension benefits. Income taxes billable to customers are billed to customers in the period when the related deferred tax liabilities are realized. The fuel related costs, including railcar lease termination costs and liquidated damages, will be billed to customers in 2013. All other regulatory assets are being recovered on a long-term basis.

**Regulatory Liabilities** — The regulatory liabilities classified as current in the accompanying consolidating balance sheet as of December 31, 2012, consist primarily of interest expense collected from customers in advance of expense recognition. These amounts outstanding will be credited to customer bills during 2013. Other regulatory liabilities consist primarily of income taxes refundable to customers, postretirement benefits, and decommissioning and demolition costs. Income taxes refundable to customers are credited to customer bills in the period when the related deferred tax assets are realized. The Companies' current ratemaking policy recovers postretirement benefits in an amount equal to estimated benefit accrual cost plus amortization of unfunded liabilities, if any. As a result, related regulatory liabilities are being credited to customer bills on a long-term basis. The remaining regulatory

|   |   |  |                                  |
|---|---|--|----------------------------------|
| Name of Respondent                        | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>2012/Q4 |
| Ohio Valley Electric Corporation          |   |  |                                  |
| NOTES TO FINANCIAL STATEMENTS (Continued) |   |  |                                  |

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

In 2003, the DOE terminated the DOE Power Agreement with OVEC, entitling the Sponsoring Companies to 100% of OVEC's generating capacity under the terms of the ICPA. Under the terms of the DOE Power Agreement, OVEC was entitled to receive a "termination payment" from the DOE to recover unbilled costs upon termination of the agreement. The termination payment included unbilled postretirement benefit costs. In 2003, OVEC recorded a settlement payment of \$97 million for the DOE obligation related to postretirement benefit costs. The regulatory liability for postretirement benefits recorded at December 31, 2012 and December 31, 2011, represents amounts collected in historical billings in excess of the Generally Accepted Accounting Principles net periodic benefit costs, including the DOE termination payment.

**Cash and Cash Equivalents** — Cash and cash equivalents primarily consist of cash and money market funds and their carrying value approximates fair value. For purposes of these statements, the Companies consider temporary cash investments to be cash equivalents since they are readily convertible into cash and have original maturities of less than three months.

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

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

**Long-Term Investments** — Long-term investments consist of marketable securities that are held for the purpose of funding postretirement benefits and decommissioning and demolition costs. These securities have been classified as trading securities in accordance with the provisions of Investments — Debt and Equity Securities accounting guidance. Trading securities reflected in Long-Term Investments are carried at fair value with the unrealized gain or loss, reported in Other Income. The cost of securities sold is based on the specific identification cost method. The fair value of most investment securities is determined by reference to currently available market prices. Where quoted market prices are not available, we use the market price of similar types of securities that are traded in the market to estimate fair value. See Fair Value Measurements in Note 10. Due to tax limitations, the amounts held in the postretirement benefits portfolio have not yet been transferred to the Voluntary Employee Beneficiary Association (VEBA) trusts (see Note 8). Long-term investments primarily consist of municipal bonds, money market mutual fund investments, and mutual funds. Net unrealized gains (losses) recognized during 2012 and 2011 on securities still held at the balance sheets date were \$6,250,092 and \$5,844,074, respectively.

**Special Deposits** — Special deposits consist of money market mutual funds held by trustees restricted for use in specific construction projects. The fair value of special deposits at the balance sheet date was \$57,938,752.

Money market mutual funds reflected in special deposits are carried at fair value with the related investment income

|   |   |  |                                  |
|---|---|--|----------------------------------|
| Name of Respondent                        | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>2012/Q4 |
| Ohio Valley Electric Corporation          |   |  |                                  |
| NOTES TO FINANCIAL STATEMENTS (Continued) |   |  |                                  |

reported in Other Income. The cost of securities sold is based on the specific identification method. The fair value of money market mutual funds is determined by reference to currently available market prices and, as such, is considered Level 1. There were no unrealized gains or losses recognized on this portfolio during 2012.

**Fair Value Measurements of Assets and Liabilities** — The accounting guidance for Fair Value Measurements and Disclosures establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Where observable inputs are available, pricing may be completed using comparable securities, dealer values and general market conditions to determine fair value. Valuation models utilize various inputs that include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets and other observable inputs for the asset or liability.

**Unamortized Debt Expense** — Unamortized debt expense relates to loan origination costs incurred to secure financing. These costs are being amortized using the effective yield method over the life of the related loans.

**Asset Retirement Obligations and Asset Retirement Costs** — The Companies recognize the fair value of legal obligations associated with the retirement or removal of long-lived assets at the time the obligations are incurred and can be reasonably estimated. The initial recognition of this liability is accompanied by a corresponding increase in depreciable electric plant. Subsequent to the initial recognition, the liability is adjusted for any revisions to the expected value of the retirement obligation (with corresponding adjustments to electric plant) and for accretion of the liability due to the passage of time.

These asset retirement obligations are primarily related to obligations associated with future asbestos abatement at certain generating stations and certain plant closure costs.

|                                 | OVEC                | IKEC                | Consolidated         |
|---------------------------------|---------------------|---------------------|----------------------|
| Balance — January 1, 2011       | \$12,030,532        | \$18,969,121        | \$ 30,999,653        |
| Accretion                       | 892,408             | 1,238,063           | 2,130,471            |
| Liabilities settled             | (193,972)           | (144,403)           | (338,375)            |
| Revision in cash flow estimates | <u>(5,267,801)</u>  | <u>(7,714,632)</u>  | <u>(12,982,433)</u>  |
| Balance — December 31, 2011     | 7,461,167           | 12,348,149          | 19,809,316           |
| Accretion                       | 595,035             | 834,359             | 1,429,394            |
| Liabilities settled             | (101,659)           | (175,672)           | (277,331)            |
| Revision in cash flow estimates | <u>-</u>            | <u>-</u>            | <u>-</u>             |
| Balance — December 31, 2012     | <u>\$ 7,954,543</u> | <u>\$13,006,836</u> | <u>\$ 20,961,379</u> |

The revised estimated costs are recorded in the accompanying balance sheets. The asset retirement obligations originally assumed a decommissioning and demolition date consistent with the ICPA expiring in 2026. As the ICPA was extended an additional 14 years to 2040, the cash flow estimates were revised to reflect the new decommissioning and demolition date, which resulted in a decreased obligation as of December 31, 2011.

The Companies do not recognize liabilities for asset retirement obligations for which the fair value cannot be reasonably estimated. The Companies have asset retirement obligations associated with transmission assets at

|   |   |  |                                  |
|---|---|--|----------------------------------|
| Name of Respondent                        | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>2012/Q4 |
| Ohio Valley Electric Corporation          |   |  |                                  |
| NOTES TO FINANCIAL STATEMENTS (Continued) |   |  |                                  |

certain generating stations. However, the retirement date for these assets cannot be determined; therefore, the fair value of the associated liability currently cannot be estimated and no amounts are recognized in the consolidating financial statements herein.

**Income Taxes** — The Companies use the liability method of accounting for income taxes. Under the liability method, the Companies provide deferred income taxes for all temporary differences between the book and tax basis of assets and liabilities which will result in a future tax consequence. The Companies account for uncertain tax positions in accordance with the accounting guidance for Income Taxes.

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

**Subsequent Events** — In preparing the accompanying financial statements and disclosures, the Companies reviewed subsequent events through April 10, 2013, which is the date the consolidating financial statements were issued.

## 2. RELATED-PARTY TRANSACTIONS

Transactions with the Sponsoring Companies during 2012 and 2011 included the sale of all generated power to them, the purchase of Arranged Power from them and other utility systems in order to meet the Department of Energy's power requirements, contract barging services, railcar services, and minor transactions for services and materials. The Companies have Power Agreements with Louisville Gas and Electric Company, Duke Energy Ohio, Inc., The Dayton Power and Light Company, Kentucky Utilities Company, Ohio Edison Company, and American Electric Power Service Corporation as agent for the American Electric Power System Companies; and Transmission Service Agreements with Louisville Gas and Electric Company, Duke Energy Ohio, Inc., The Dayton Power and Light Company, The Toledo Edison Company, Ohio Edison Company, Kentucky Utilities Company, and American Electric Power Service Corporation as agent for the American Electric Power System Companies.

At December 31, 2012 and 2011, balances due from the Sponsoring Companies are as follows:

|                     | 2012                | 2011                |
|---------------------|---------------------|---------------------|
| Accounts receivable | <u>\$34,343,741</u> | <u>\$36,650,231</u> |

American Electric Power Company, Inc. and subsidiary company owned 43.47% of the common stock of OVEC as of December 31, 2012. 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:

|                   | 2012                | 2011                |
|-------------------|---------------------|---------------------|
| General services  | \$ 3,216,482        | \$ 3,656,595        |
| Specific projects | <u>12,746,357</u>   | <u>9,612,272</u>    |
| Total             | <u>\$15,962,839</u> | <u>\$13,268,867</u> |

|   |  |                            |                       |
|---|--|----------------------------|-----------------------|
| Name of Respondent                        | This Report is:  | Date of Report             | Year/Period of Report |
| Ohio Valley Electric Corporation          | (1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | (Mo, Da, Yr)<br>12/31/2012 | 2012/Q4               |
| NOTES TO FINANCIAL STATEMENTS (Continued) |  |                            |                       |

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

### 3. COAL SUPPLY

The Companies have coal supply agreements with certain nonaffiliated companies that expire at various dates from the year 2013 through 2017. Pricing for coal under these contracts is subject to contract provisions and adjustments. The Companies currently have 94% of their 2013 coal requirements under long-term agreements of one year or greater. These contracts are based on rates in effect at the time of purchase. During 2012, OVEC failed to meet the contracted obligations relating to one coal transportation contract, which resulted in liquidated damages of \$2,227,781. These costs are payable to vendors and recoverable from the Sponsor Companies within the next 12 months and are recorded as current regulatory assets (see Note 1).

### 4. ELECTRIC PLANT

Electric plant at December 31, 2012 and 2011, consists of the following:

|                               | 2012            |               | 2011            |               |
|-------------------------------|-----------------|---------------|-----------------|---------------|
|                               | OVEC            | IKEC          | OVEC            | IKEC          |
| Steam production plant        | \$1,217,022,377 | \$681,118,185 | \$1,043,776,208 | \$651,467,757 |
| Transmission plant            | 47,748,711      | 27,029,283    | 47,694,088      | 26,749,317    |
| General plant                 | 11,648,553      | 1,051,445     | 11,471,559      | 1,051,445     |
| Intangible                    | 18,924          | 7,640         | 18,924          | 7,640         |
|                               | 1,276,438,565   | 709,206,553   | 1,102,960,779   | 679,276,159   |
| Less accumulated depreciation | 531,480,132     | 583,883,559   | 477,412,407     | 563,785,911   |
|                               | 744,958,433     | 125,322,994   | 625,548,372     | 115,490,248   |
| Construction in progress      | 32,852,787      | 612,632,109   | 175,204,670     | 508,872,205   |
| Total electric plant          | \$ 777,811,220  | \$737,955,103 | \$ 800,753,042  | \$624,362,453 |

All property additions and replacements are fully depreciated on the date the property is placed in service, unless the addition or replacement relates to a financed project. The majority of financed projects placed in service over the past 5 years have been recorded to steam production plant with depreciable lives ranging from 32 to 45 years. However, as the Companies' policy is to bill in accordance with the principal billings of the debt agreements, all financed projects are being depreciated in line with principal payments on outstanding debt.

### 5. BORROWING ARRANGEMENTS AND NOTES

OVEC has an unsecured bank revolving line of credit agreement with a borrowing limit of \$275 million as of December 31, 2012, and \$225 million as of December 31, 2011. The \$225 million line of credit was renewed in June 2010, increased to \$275 million in April 2012, and has an expiration date of June 18, 2015. At December 31,

|   |   |  |                                  |
|---|---|--|----------------------------------|
| Name of Respondent                        | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>2012/Q4 |
| Ohio Valley Electric Corporation          |   |  |                                  |
| NOTES TO FINANCIAL STATEMENTS (Continued) |   |  |                                  |

2012 and 2011, OVEC had borrowed \$60 million and \$100 million, respectively, under this line of credit. Interest expense related to line of credit borrowings was \$3,139,158 in 2012 and \$2,216,871 in 2011. During 2012 and 2011, OVEC incurred annual commitment fees of \$412,458 and \$573,958, respectively, based on the borrowing limits of the line of credit.

## 6. LONG-TERM DEBT

The following amounts were outstanding at December 31, 2012 and 2011:

|                                   | Interest Rate | 2012                   | 2011                   |
|-----------------------------------|---------------|------------------------|------------------------|
| Senior 2006 Notes:                |               |                        |                        |
| 2006A due February 15, 2026       | 5.80 %        | \$ 292,095,074         | \$ 306,042,656         |
| 2006B due June 15, 2040           | 6.40          | 61,252,481             | 62,035,673             |
| Senior 2007 Notes:                |               |                        |                        |
| 2007A-A due February 15, 2026     | 5.90          | 132,475,263            | 138,983,105            |
| 2007A-B due February 15, 2026     | 5.90          | 33,362,594             | 35,001,279             |
| 2007A-C due February 15, 2026     | 5.90          | 33,628,247             | 35,279,980             |
| 2007B-A due June 15, 2040         | 6.50          | 30,609,314             | 31,003,872             |
| 2007B-B due June 15, 2040         | 6.50          | 7,708,654              | 7,808,021              |
| 2007B-C due June 15, 2040         | 6.50          | 7,770,034              | 7,870,192              |
| Senior 2008 Notes:                |               |                        |                        |
| 2008A due February 15, 2026       | 5.92          | 41,334,943             | 43,362,126             |
| 2008B due February 15, 2026       | 6.71          | 83,014,206             | 86,898,218             |
| 2008C due February 15, 2026       | 6.71          | 84,578,521             | 88,408,080             |
| 2008D due June 15, 2040           | 6.91          | 44,242,121             | 44,765,728             |
| 2008E due June 15, 2040           | 6.91          | 45,010,851             | 45,543,556             |
| Series 2009 Notes:                |               |                        |                        |
| 2009A due February 15, 2013       | 1.96          | 100,000,000            | 100,000,000            |
| Series 2009 Bonds:                |               |                        |                        |
| 2009A due February 1, 2026        | 0.11          | 25,000,000             | 25,000,000             |
| 2009B due February 1, 2026        | 0.11          | 25,000,000             | 25,000,000             |
| 2009C due February 1, 2026        | 0.12          | 25,000,000             | 25,000,000             |
| 2009D due February 1, 2026        | 0.12          | 25,000,000             | 25,000,000             |
| 2009E due October 1, 2019         | 5.63          | 100,000,000            | 100,000,000            |
| Series 2010 Bonds:                |               |                        |                        |
| 2010A due June 29, 2014           | 1.48          | 50,000,000             | 50,000,000             |
| 2010B due June 29, 2016           | 1.48          | 50,000,000             | 50,000,000             |
| Series 2012 Bonds:                |               |                        |                        |
| 2012A due June 1, 2032            | 4.95          | 77,091,234             | -                      |
| 2012A due June 1, 2039            | 5.05          | 122,312,703            | -                      |
| 2012B due June 1, 2040            | 0.12          | 50,000,000             | -                      |
| 2012C due June 1, 2040            | 0.11          | 50,000,000             | -                      |
| Total debt                        |               | 1,596,486,240          | 1,333,002,486          |
| Current portion of long-term debt |               | 238,138,903            | 135,797,658            |
| Total long-term debt              |               | <u>\$1,358,347,337</u> | <u>\$1,197,204,828</u> |

|   |   |  |                                  |
|---|---|--|----------------------------------|
| Name of Respondent                        | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>2012/Q4 |
| Ohio Valley Electric Corporation          |   |  |                                  |
| NOTES TO FINANCIAL STATEMENTS (Continued) |   |  |                                  |

All of the OVEC amortizing unsecured senior notes have maturities scheduled for February 15, 2026, or June 15, 2040, as noted in the previous table.

During 2009, OVEC issued \$100 million variable rate non-amortizing unsecured senior notes (2009A Notes) in private placement, a series of four \$25 million variable rate non-amortizing tax exempt pollution control bonds (2009A, B, C, and D Bonds), and \$100 million fixed rate non-amortizing tax exempt pollution control bonds (2009E Bonds). The variable rates listed above reflect the interest rate in effect at December 31, 2012.

The 2009 Series A, B, C, and D Bonds are secured by irrevocable transferable direct-pay letters of credit, expiring August 12, 2013, and August 21, 2013, issued for the benefit of the owners of the bonds. The interest rate on the bonds are adjusted weekly, and bondholders may require repurchase of the bonds at the time of such interest rate adjustments. OVEC has entered into an agreement to provide for the remarketing of the bonds if such repurchase is required. The 2009A, B, C, and D Series Bonds are current, as they are callable at any time.

In December 2010, OVEC established a borrowing facility under which OVEC borrowed, in 2011, \$100 million variable rate bonds due February 1, 2040. In June 2011, the \$100 million variable rate bonds were issued as two \$50 million non-amortizing pollution control revenue bonds (Series 2010A and 2010B) in a short-term bank arrangement for three years and five years, respectively.

During 2012, OVEC issued \$200 million fixed rate tax-exempt midwestern disaster relief revenue bonds (2012A Bonds) and two series of \$50 million variable rate tax-exempt midwestern disaster relief revenue bonds (2012B and 2012C Bonds). The 2012A, 2012B, and 2012C Bonds will begin amortizing June 1, 2027, to their respective maturity dates. The variable rates listed above reflect the interest rate in effect at December 31, 2012.

The 2012B and 2012C Bonds are secured by irrevocable transferable direct-pay letters of credit, expiring June 28, 2014, and June 28, 2015, issued for the benefit of the owners of the bonds. The interest rates on the bonds are adjusted weekly, and bondholders may require repurchase of the bonds at the time of such interest rate adjustments. OVEC has entered into agreements to provide for the remarketing of the bonds if such repurchase is required. The 2012B and 2012C Bonds are current, as they are callable at any time.

In 2013, the \$100 million 2009A Notes were retired on February 15, 2013, with funding from the issuance of \$100 million 2013A variable rate non-amortizing unsecured senior notes (2013A Notes). The 2013A Notes mature on February 15, 2018. As a result, the 2009A Notes are excluded from current liabilities and classified as long term at December 31, 2012.

The annual maturities of long-term debt as of December 31, 2012, are as follows:

|           |                        |
|-----------|------------------------|
| 2013      | \$ 38,138,903          |
| 2014      | 90,496,382             |
| 2015      | 43,000,194             |
| 2016      | 95,559,472             |
| 2017      | 48,483,907             |
| 2018–2040 | <u>1,280,807,382</u>   |
| Total     | <u>\$1,596,486,240</u> |

## 7. INCOME TAXES

OVEC and IKEC file a consolidated federal income tax return. The effective tax rate varied from the statutory

|   |   |  |                                  |
|---|---|--|----------------------------------|
| Name of Respondent                        | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>2012/Q4 |
| Ohio Valley Electric Corporation          |   |  |                                  |
| NOTES TO FINANCIAL STATEMENTS (Continued) |   |  |                                  |

federal income tax rate due to differences between the book and tax treatment of various transactions as follows:

|  | 2012              | 2011              |
|--|-------------------|-------------------|
| Income tax expense at 35% statutory rate               | \$1,102,283       | \$1,232,599       |
| State income taxes — net of federal benefit            | 549               | (181,531)         |
| Temporary differences flowed through to customer bills | (224,609)         | (228,753)         |
| Permanent differences and other                        | <u>15,310</u>     | <u>29,293</u>     |
| Income tax provision                                   | <u>\$ 893,533</u> | <u>\$ 851,608</u> |
| Effective tax rate                                     | <u>28.4 %</u>     | <u>24.2 %</u>     |

Components of the income tax provision were as follows:

|                                       | 2012              | 2011               |
|---------------------------------------|-------------------|--------------------|
| Current income tax (benefit)/expense  | \$ (9,609,247)    | \$ 5,004,517       |
| Deferred income tax expense/(benefit) | <u>10,502,780</u> | <u>(4,152,909)</u> |
| Total income tax provision            | <u>\$ 893,533</u> | <u>\$ 851,608</u>  |

OVEC and IKEC record deferred tax assets and liabilities based on differences between book and tax basis of assets and liabilities measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. Deferred tax assets and liabilities are adjusted for changes in tax rates. The deferred tax assets recorded in the accompanying consolidating balance sheets consist primarily of the net deferred taxes on depreciation, postretirement benefits obligation, asset retirement obligations, regulatory assets, and regulatory liabilities.

To the extent that the Companies have not reflected credits in customer billings for deferred tax assets, they have recorded a regulatory liability representing income taxes refundable to customers under the applicable agreements among the parties. The regulatory liability was \$38,645,647 and \$40,284,930 at December 31, 2012 and 2011, respectively.

Deferred income tax assets (liabilities) at December 31, 2012 and 2011, consisted of the following:

|   |  |                            |                       |
|---|--|----------------------------|-----------------------|
| Name of Respondent                        | This Report is:  | Date of Report             | Year/Period of Report |
| Ohio Valley Electric Corporation          | (1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | (Mo, Da, Yr)<br>12/31/2012 | 2012/Q4               |
| NOTES TO FINANCIAL STATEMENTS (Continued) |  |                            |                       |

|   | 2012                 | 2011                 |
|---|----------------------|----------------------|
| Deferred tax assets:  |                      |                      |
| Deferred revenue — advances for construction                | \$ 6,789,730         | \$ 10,967,289        |
| AMT credit carryforwards                                    | 2,574,572            | 2,574,572            |
| Federal net operating loss                                  | 9,392,878            | -                    |
| Postretirement benefit obligation                           | 28,748,763           | 27,328,379           |
| Pension liability   | 9,207,805            | 16,511,400           |
| Postemployment benefit obligation                           | 875,010              | 851,254              |
| Asset retirement obligations                                | 7,340,209            | 6,989,207            |
| Miscellaneous accruals                                      | 2,742,592            | 2,833,433            |
| Regulatory liability — investment tax credits               | 1,188,204            | 1,197,184            |
| Regulatory liability — net antitrust settlement             | 638,700              | 643,527              |
| Regulatory liability — asset retirement costs               | 4,983,191            | 3,743,665            |
| Regulatory liability — income taxes refundable to customers | <u>13,844,317</u>    | <u>14,613,570</u>    |
| Total deferred tax assets                                   | <u>88,325,971</u>    | <u>88,253,480</u>    |
| Deferred tax liabilities:                                   |                      |                      |
| Prepaid expenses  | (622,408)            | (587,327)            |
| Electric plant  | (29,477,415)         | (19,226,351)         |
| Unrealized gain/loss on marketable securities               | (5,616,658)          | (3,453,921)          |
| Regulatory asset — postretirement benefits                  | (463,906)            | (1,051,631)          |
| Regulatory asset — pension benefits                         | (10,701,897)         | (17,966,797)         |
| Regulatory asset — unrecognized postemployment benefits     | <u>(875,010)</u>     | <u>(851,254)</u>     |
| Total deferred tax liabilities                              | <u>(47,757,294)</u>  | <u>(43,137,281)</u>  |
| Deferred income tax assets                                  | <u>\$ 40,568,677</u> | <u>\$ 45,116,199</u> |
| Current deferred income taxes                               | \$ 18,302,793        | \$ 13,213,395        |
| Non-current deferred income taxes                           | 22,265,884           | 31,902,804           |

The breakout of deferred income taxes between OVEC and IKEC is as follows:

|                                    | 2012       |            | 2011      |            |
|------------------------------------|------------|------------|-----------|------------|
|                                    | OVEC       | IKEC       | OVEC      | IKEC       |
| Current deferred tax asset         | 15,008,843 | 3,293,950  | 8,218,042 | 4,995,353  |
| Non-current deferred tax asset     | -          | 50,295,839 | -         | 38,205,719 |
| Non-current deferred tax liability | 28,029,955 | -          | 6,302,915 | -          |

The accounting guidance for Income Taxes addresses the determination of whether the tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, the

|   |  |                                |                       |
|---|--|--------------------------------|-----------------------|
| Name of Respondent                        | This Report is:  | Date of Report<br>(Mo, Da, Yr) | Year/Period of Report |
| Ohio Valley Electric Corporation          | (1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | 12/31/2012                     | 2012/Q4               |
| NOTES TO FINANCIAL STATEMENTS (Continued) |  |                                |                       |

Companies may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement. The Companies have not identified any uncertain tax positions as of December 31, 2012 and 2011, and accordingly, no liabilities for uncertain tax positions have been recognized.

On March 23, 2010, President Obama signed into law the Patient Protection and Affordable Care Act (the PPAC Act). The PPAC Act is a comprehensive health care reform bill that includes revenue-raising provisions of nearly \$400 billion over 10 years through tax increases on high-income individuals, excise taxes on high-cost group health plans, and new fees on selected health-care-related industries. In addition, on March 30, 2010, President Obama signed into law the reconciliation measure, which modifies certain provisions of the PPAC Act.

An employer offering retiree prescription drug coverage that is at least as valuable as Medicare Part D coverage is currently entitled to a federal retiree drug subsidy. Employers can currently claim a deduction for the entire cost of providing the prescription drug coverage even though a portion of the cost is offset by the subsidy they receive. However, the PPAC Act repealed the current rule permitting a deduction of the portion of the drug coverage expense that is offset by the Medicare Part D subsidy. This provision of the PPAC Act as modified by the reconciliation measure is effective for taxable years beginning after December 31, 2012.

During 2012, the passage of the PPAC Act resulted in a reduction of the postemployment benefits deferred tax asset of approximately \$80,000 and a reduction to the related regulatory liability (income taxes refundable to customers) of approximately \$80,000.

The Companies file income tax returns with the Internal Revenue Service and the states of Ohio, Indiana, and the Commonwealth of Kentucky. The Companies are no longer subject to federal tax examinations for tax years 2007 and earlier. The Companies are currently under audit by the Internal Revenue Service for the tax years ended December 31, 2008 through December 31, 2011. The Companies are no longer subject to State of Indiana tax examinations for tax years 2007 and earlier. The Companies are no longer subject to Ohio and the Commonwealth of Kentucky examinations for tax years 2006 and earlier.

## 8. PENSION PLAN, OTHER POSTRETIREMENT AND POSTEMPLOYMENT BENEFITS

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

Funding for the Pension Plan is based on actuarially determined contributions, the maximum of which is generally the amount deductible for income tax purposes and the minimum being that required by the Employee Retirement Income Security Act of 1974 (ERISA), as amended. The full cost of the pension benefits and related obligations has been allocated to OVEC and IKEC in the accompanying consolidating financial statements. The allocated amounts represent approximately a 57% and 43% split between OVEC and IKEC, respectively, as of December 31, 2012, and approximately a 56% and 44% split for OVEC and IKEC, respectively, as of December 31, 2011. The Pension Plan's assets as of December 31, 2012 consist of investments in equity and debt securities.

In addition to the Pension Plan, the Companies provide certain health care and life insurance benefits (Other Postretirement 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

|   |   |  |                                  |
|---|---|--|----------------------------------|
| Name of Respondent                        | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>2012/Q4 |
| Ohio Valley Electric Corporation          |   |  |                                  |
| NOTES TO FINANCIAL STATEMENTS (Continued) |   |  |                                  |

employees are provided through employer funding and insurance policies. In December 2004, the Companies established Voluntary Employee Beneficiary Association (VEBA) trusts. In January 2011, the Companies established an IRC Section 401(h) account under the Pension Plan.

All of the trust funds' investments for the pension and postemployment benefit plans are diversified and managed in compliance with all laws and regulations. Management regularly reviews the actual asset allocation and periodically rebalances the investments to targeted allocation when appropriate. The investments are reported at fair value under the Fair Value Measurements and Disclosures accounting guidance.

All benefit plan assets are invested in accordance with each plan's investment policy. The investment policy outlines the investment objectives, strategies, and target asset allocations by plan. Benefit plan assets are reviewed on a formal basis each quarter by the OVEC/IKEC Qualified Plan Trust Committee.

The investment philosophies for the benefit plans support the allocation of assets to minimize risks and optimize net returns.

Investment strategies include:

- Maintaining a long-term investment horizon.
- Diversifying assets to help control volatility of returns at acceptable levels. Managing fees, transaction costs, and tax liabilities to maximize investment earnings. Using active management of investments where appropriate risk/return opportunities exist.
- Keeping portfolio structure style neutral to limit volatility compared to applicable benchmarks.

The target asset allocation for each portfolio is as follows:

| Pension Plan Assets             | Target |
|---------------------------------|--------|
| Domestic equity                 | 15.0 % |
| International and global equity | 15.0   |
| Fixed income                    | 70.0   |
| <b>VEBA Plan Assets</b>         |        |
| Domestic equity                 | 20.0 % |
| International and global equity | 20.0   |
| Fixed income                    | 57.0   |
| Cash                            | 3.0    |

Each benefit plan contains various investment limitations. These limitations are described in the investment policy statement and detailed in customized investment guidelines or documented by mutual fund prospectus. These investment guidelines require appropriate portfolio diversification and define security concentration limits. Each investment manager's portfolio is compared to an appropriate diversified benchmark index.

Equity investment limitations:

- No security in excess of 5% of all equities.
- Cash equivalents must be less than 10% of each investment manager's equity portfolio.  
Individual securities must be less than 15% of each manager's equity portfolio.

|   |  |                            |                       |
|---|--|----------------------------|-----------------------|
| Name of Respondent                        | This Report is:  | Date of Report             | Year/Period of Report |
| Ohio Valley Electric Corporation          | (1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | (Mo, Da, Yr)<br>12/31/2012 | 2012/Q4               |
| NOTES TO FINANCIAL STATEMENTS (Continued) |  |                            |                       |

No investment in excess of 5% of an outstanding class of any company.  
No securities may be bought or sold on margin or other use of leverage.

- As otherwise defined by fund prospectus.

**Fixed Income Limitations** — As of December 31, 2012, the Pension Plan fixed income allocation consists of managed accounts composed of U.S. Government, corporate, and municipal obligations. The VEBA benefit plans' fixed income allocation is composed of a variety of fixed income managed accounts and mutual funds. Investment limitations for these fixed income funds are defined by manager prospectus.

**Cash Limitations** — Cash and cash equivalents are held in each trust to provide liquidity and meet short-term cash needs. Cash equivalent funds are used to provide diversification and preserve principal. The underlying holdings in the cash funds are investment grade money market instruments, including money market mutual funds, certificates of deposit, treasury bills, and other types of investment-grade short-term debt securities. The cash funds are valued each business day and provide daily liquidity. Projected Pension Plan and Other Postretirement Benefits obligations and funded status as of December 31, 2012 and 2011, are as follows:

|  | Pension Plan           |                        | Other Postretirement Benefits |                        |
|--|------------------------|------------------------|-------------------------------|------------------------|
|  | 2012                   | 2011                   | 2012                          | 2011                   |
| Change in projected benefit obligation:          |                        |                        |                               |                        |
| Projected benefit obligation — beginning of year | \$ 192,294,158         | \$ 150,799,587         | \$ 171,866,123                | \$ 123,680,352         |
| Service cost                                     | 7,050,298              | 5,235,212              | 6,411,493                     | 4,318,132              |
| Interest cost                                    | 8,383,604              | 7,862,149              | 7,442,065                     | 6,727,007              |
| Plan participants' contributions                 | -                      | -                      | 908,758                       | 846,824                |
| Benefits paid                                    | (3,536,952)            | (3,142,434)            | (4,449,852)                   | (4,937,587)            |
| Net actuarial (gain)/loss                        | (9,114,566)            | 31,589,560             | 7,821,460                     | 40,723,781             |
| Medicare subsidy                                 | -                      | -                      | 323,844                       | 507,614                |
| Expenses paid from assets                        | (69,383)               | (49,916)               | -                             | -                      |
| Projected benefit obligation — end of year       | <u>195,007,159</u>     | <u>192,294,158</u>     | <u>190,323,891</u>            | <u>171,866,123</u>     |
| Change in fair value of plan assets:             |                        |                        |                               |                        |
| Fair value of plan assets — beginning of year    | 141,371,363            | 127,044,744            | 94,948,011                    | 92,356,147             |
| Actual return on plan assets                     | 21,180,806             | 11,418,969             | 10,538,257                    | 288,095                |
| Expenses paid from assets                        | (69,383)               | (49,916)               | -                             | -                      |
| Employer contributions                           | 5,500,000              | 6,100,000              | 5,957,250                     | 5,891,110              |
| Plan participants' contributions                 | -                      | -                      | 908,758                       | 846,824                |
| Medicare subsidy                                 | -                      | -                      | 323,844                       | 503,422                |
| Benefits paid                                    | (3,536,952)            | (3,142,434)            | (4,449,852)                   | (4,937,587)            |
| Fair value of plan assets — end of year          | <u>164,445,834</u>     | <u>141,371,363</u>     | <u>108,226,268</u>            | <u>94,948,011</u>      |
| (Underfunded) status — end of year               | <u>\$ (30,561,325)</u> | <u>\$ (50,922,795)</u> | <u>\$ (82,097,623)</u>        | <u>\$ (76,918,112)</u> |

See Note 1 for information regarding regulatory assets related to the Pension Plan and Other Postretirement Benefits plan.

|   |   |  |                                  |
|---|---|--|----------------------------------|
| Name of Respondent                        | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>2012/Q4 |
| Ohio Valley Electric Corporation          |   |  |                                  |
| NOTES TO FINANCIAL STATEMENTS (Continued) |   |  |                                  |

On December 8, 2003, the President of the United States of America signed into law the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (the Act). The Act introduced a prescription drug benefit to retirees as well as a federal subsidy to sponsors of retiree health care benefit plans that provide a prescription drug benefit that is actuarially equivalent to the benefit provided by Medicare. The Companies believe that the coverage for prescription drugs is at least actuarially equivalent to the benefits provided by Medicare for most current retirees because the benefits for that group substantially exceed the benefits provided by Medicare, thereby allowing the Companies to qualify for the subsidy. The Companies' employer contributions for Other Postretirement Benefits in the above table are net of subsidies received of \$323,844 and \$503,422 for 2012 and 2011, respectively. The Companies have accounted for the subsidy as a reduction of the benefit obligation detailed in the above table. The benefit obligation was reduced by approximately \$0 and \$500,000 as of December 31, 2012 and 2011, respectively. See Note 7 for changes in the tax law surrounding the new health care bill.

The accumulated benefit obligation for the Pension Plan was \$167,595,378 and \$154,437,821 at December 31, 2012 and 2011, respectively.

**Components of Net Periodic Benefit Cost** — The Companies record the expected cost of Other Postretirement Benefits over the service period during which such benefits are earned.

Pension expense is recognized as amounts are contributed to the Pension Plan and billed to customers. The accumulated difference between recorded pension expense and the yearly net periodic pension expense, as calculated under the accounting guidance for Compensation — Retirement Benefits, is billable as a cost of operations under the ICPA when contributed to the pension fund. This accumulated difference has been recorded as a regulatory asset in the accompanying consolidating balance sheets.

|  | Pension Plan        |                     | Other Postretirement Benefits |                     |
|--|---------------------|---------------------|-------------------------------|---------------------|
|  | 2012                | 2011                | 2012                          | 2011                |
| Service cost   | \$ 7,050,298        | \$ 5,235,212        | \$ 6,411,493                  | \$ 4,318,132        |
| Interest cost  | 8,383,604           | 7,862,149           | 7,442,065                     | 6,727,007           |
| Expected return on plan assets   | (8,522,609)         | (7,693,957)         | (5,516,937)                   | (5,282,524)         |
| Amortization of prior service cost   | 189,437             | 189,437             | (379,000)                     | (379,000)           |
| Recognized actuarial loss  | 2,086,365           | -                   | 1,577,730                     | (133,988)           |
| <b>Total benefit cost</b>  | <b>9,187,095</b>    | <b>5,592,841</b>    | <b>9,535,351</b>              | <b>5,249,627</b>    |
| Pension and other postretirement benefits expense recognized in the consolidating statements of income and retained earnings and billed to Sponsoring Companies under the ICPA | <u>\$ 5,500,000</u> | <u>\$ 6,100,000</u> | <u>\$ 5,500,000</u>           | <u>\$ 4,908,485</u> |
|  |                     |                     |                               |                     |
|  |                     |                     |                               |                     |

The following table presents the classification of Pension Plan assets within the fair value hierarchy at December 31, 2012 and 2011:

|  |   |  |                                  |
|--|---|--|----------------------------------|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>2012/Q4 |
| NOTES TO FINANCIAL STATEMENTS (Continued)              |   |  |                                  |

|                                 | Fair Value Measurements at Reporting Date Using                           |   |  |
|---------------------------------|---|---|--|
|                                 | Quoted Prices<br>in Active<br>Market for<br>Identical Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
| <b>2012</b>                     |   |   |  |
| Domestic equity                 | \$23,558,247  | \$ -  | \$ -   |
| International and global equity | 17,292,251  | 8,550,837   | -  |
| Cash and cash equivalents       | 4,924,712   | -   | -  |
| U.S. Treasury securities        | -   | 6,804,928   | -  |
| Corporate securities            | -   | 92,091,492  | -  |
| Municipal securities            | -   | 11,223,367  | -  |
| <b>Total fair value</b>         | <u>\$45,775,210</u>   | <u>\$118,670,624</u>                                      | <u>\$ -</u>  |
| <b>2011</b>                     |   |   |  |
| Domestic equity                 | \$21,716,581  | \$ -  | \$ -   |
| International and global equity | 14,047,289  | 6,902,062   | -  |
| Cash and cash equivalents       | 5,302,174   | -   | -  |
| U.S. Treasury securities        | -   | 93,403,257  | -  |
| <b>Total fair value</b>         | <u>\$41,066,044</u>   | <u>\$100,305,319</u>                                      | <u>\$ -</u>  |

The following table presents the classification of VEBA and 401(h) account assets within the fair value hierarchy at December 31, 2012 and 2011:

|   |  |                            |                       |
|---|--|----------------------------|-----------------------|
| Name of Respondent                        | This Report is:  | Date of Report             | Year/Period of Report |
| Ohio Valley Electric Corporation          | (1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | (Mo, Da, Yr)<br>12/31/2012 | 2012/Q4               |
| NOTES TO FINANCIAL STATEMENTS (Continued) |  |                            |                       |

|                                 | Fair Value Measurements at Reporting Date Using               |   |   |
|---------------------------------|---|---|---|
|                                 | Quoted Prices in Active Market for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| <b>2012</b>                     |   |   |   |
| Domestic equity                 | \$21,360,870  | \$ -  | \$ -                                      |
| International and global equity | 22,601,305  | -   | -   |
| Fixed income mutual funds       | 48,177,536  | -   | -   |
| Fixed income securities         | -   | 13,581,890                                    | -   |
| Cash and cash equivalents       | <u>2,504,667</u>  | <u>-</u>                                      | <u>-</u>                                  |
| Total fair value                | <u>\$94,644,378</u>   | <u>\$13,581,890</u>                           | <u>\$ -</u>                               |
| <b>2011</b>                     |   |   |   |
| Domestic equity                 | \$19,752,467  | \$ -  | \$ -                                      |
| International and global equity | 31,865,804  | -   | -   |
| Fixed income mutual funds       | 37,880,252  | -   | -   |
| Cash and cash equivalents       | <u>5,449,488</u>  | <u>-</u>                                      | <u>-</u>                                  |
| Total fair value                | <u>\$94,948,011</u>   | <u>\$ -</u>                                   | <u>\$ -</u>                               |

**Pension Plan and Other Postretirement Benefit Assumptions** — Actuarial assumptions used to determine benefit obligations at December 31, 2012 and 2011, were as follows:

|                               | Pension Plan |        | Benefits |        |         |        |
|-------------------------------|--------------|--------|----------|--------|---------|--------|
|                               | 2012         | 2011   | 2012     |        | 2011    |        |
|                               |              |        | Medical  | Life   | Medical | Life   |
| Discount rate                 | 4.29 %       | 4.40 % | 4.40 %   | 4.30 % | 4.40 %  | 4.40 % |
| Rate of compensation increase | 3.00         | 4.00   | N/A      | 3.00   | N/A     | 4.00   |

Actuarial assumptions used to determine net periodic benefit cost for the years ended December 31, 2012 and 2011, were as follows:

|  | Pension Plan |        | Other Postretirement Benefits |        |         |        |
|--|--------------|--------|-------------------------------|--------|---------|--------|
|  | 2012         | 2011   | 2012                          |        | 2011    |        |
|  |              |        | Medical                       | Life   | Medical | Life   |
| Discount rate                            | 4.40 %       | 5.50 % | 4.40 %                        | 4.40 % | 5.50 %  | 5.50 % |
| Expected long-term return on plan assets | 6.00         | 6.00   | 5.60                          | 6.50   | 5.60    | 5.60   |
| Rate of compensation increase            | 4.00         | 4.00   | N/A                           | 4.00   | N/A     | 4.00   |

|   |   |  |                                  |
|---|---|--|----------------------------------|
| Name of Respondent                        | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>2012/Q4 |
| Ohio Valley Electric Corporation          |   |  |                                  |
| NOTES TO FINANCIAL STATEMENTS (Continued) |   |  |                                  |

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

Assumed health care cost trend rates at December 31, 2012 and 2011, were as follows:

|   | 2012   | 2011   |
|---|--------|--------|
| Health care trend rate assumed for next year — participants under 65                                      | 8.00 % | 8.50 % |
| Health care trend rate assumed for next year — participants over 65                                       | 8.00   | 8.50   |
| Rate to which the cost trend rate is assumed to decline (the ultimate trend rate) — participants under 65 | 5.00   | 5.00   |
| Rate to which the cost trend rate is assumed to decline (the ultimate trend rate) — participants over 65  | 5.00   | 5.00   |
| Year that the rate reaches the ultimate trend rate  | 2019   | 2019   |

Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A one-percentage-point change in assumed health care cost trend rates would have the following effects:

|   | One-Percentage Point Increase | One-Percentage Point Decrease |
|---|-------------------------------|-------------------------------|
| Effect on total service and interest cost   | \$ 3,134,278                  | \$ (2,355,685)                |
| Effect on postretirement benefit obligation | 36,349,761                    | (28,085,825)                  |

**Pension Plan and Other Postretirement Benefit Assets** — The asset allocation for the Pension Plan and VEBA trusts at December 31, 2012 and 2011, by asset category was as follows:

| Asset category:   | Pension Plan |      | VEBA Trusts |      |
|-------------------|--------------|------|-------------|------|
|                   | 2012         | 2011 | 2012        | 2011 |
| Equity securities | 30 %         | 30 % | 41 %        | 41 % |
| Debt securities   | 70           | 70   | 59          | 59   |

**Pension Plan and Other Postretirement Benefit Contributions** — The Companies expect to contribute \$6,400,000 to their Pension Plan and \$7,661,448 to their Other Postretirement Benefits plan in 2013.

**Estimated Future Benefit Payments** — The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

|   |   |  |                                  |
|---|---|--|----------------------------------|
| Name of Respondent                        | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>2012/Q4 |
| Ohio Valley Electric Corporation          |   |  |                                  |
| NOTES TO FINANCIAL STATEMENTS (Continued) |   |  |                                  |

| Years Ending<br>December 31 | Pension<br>Plan | Other<br>Postretirement<br>Benefits |
|-----------------------------|-----------------|-------------------------------------|
| 2013                        | \$ 4,175,740    | \$ 5,651,448                        |
| 2014                        | 4,804,038       | 5,992,604                           |
| 2015                        | 5,537,299       | 6,385,523                           |
| 2016                        | 6,393,997       | 6,983,700                           |
| 2017                        | 7,237,682       | 7,567,996                           |
| Five years thereafter       | 50,302,520      | 45,794,286                          |

**Postemployment Benefits** — The Companies follow the accounting guidance in Compensation — Non-Retirement Postemployment Benefits and accrue the estimated cost of benefits provided to former or inactive employees after employment but before retirement. Such benefits include, but are not limited to, salary continuations, supplemental unemployment, severance, disability (including workers' compensation), job training, counseling, and continuation of benefits, such as health care and life insurance coverage. The cost of such benefits and related obligations has been allocated to OVEC and IKEC in the accompanying consolidating financial statements. The allocated amounts represent approximately a 45% and 55% split between OVEC and IKEC, respectively, as of December 31, 2012, and approximately a 46% and 54% split between OVEC and IKEC, respectively, as of December 31, 2011. The liability is offset with a corresponding regulatory asset and represents unrecognized postemployment benefits billable in the future to customers. The accrued cost of such benefits was \$2,498,759 and \$2,412,685 at December 31, 2012 and 2011, respectively.

**Defined Contribution Plan** — The Companies have a trustee-defined contribution supplemental pension and savings plan that includes 401(k) features and is available to employees who have met eligibility requirements. The Companies' contributions to the savings plan equal 100% of the first 1% and 50% of the next 5% of employee-participants' contributions. Benefits to participating employees are based solely upon amounts contributed to the participants' accounts and investment earnings. By its nature, the plan is fully funded at all times. The employer contributions for 2012 and 2011 were \$1,942,045 and \$1,804,270, respectively.

## 9. ENVIRONMENTAL MATTERS

Title IV of the 1990 Clean Air Act Amendments (CAAA) required the Companies to reduce sulfur dioxide (SO<sub>2</sub>) emissions in two phases: Phase I in 1995 and Phase II in 2000. The Companies selected a fuel switching strategy to comply with the emission reduction requirements. The Companies also purchased additional SO<sub>2</sub> allowances. The cost of these purchased allowances has been inventoried and included on an average cost basis in the cost of fuel consumed when used. The cost of unused allowances at December 31, 2012 and 2011, was \$86,649 and \$28,519, respectively.

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

During 2002 and 2003, Ohio and Indiana finalized respective NO<sub>x</sub> State Implementation Plan (SIP) Call regulations that required further significant NO<sub>x</sub> emission reductions for coal-burning power plants during the ozone control period. The Companies installed selective catalytic reduction (SCR) systems on ten of their eleven units to comply

|   |   |  |                                  |
|---|---|--|----------------------------------|
| Name of Respondent                        | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>2012/Q4 |
| Ohio Valley Electric Corporation          |   |  |                                  |
| NOTES TO FINANCIAL STATEMENTS (Continued) |   |  |                                  |

with these rules. The total capital cost of the ten SCR systems was approximately \$355 million.

On March 10, 2005, the United States Environmental Protection Agency (the U.S. EPA) issued the Clean Air Interstate Rule (CAIR) that required further significant reductions of SO<sub>2</sub> and NO<sub>x</sub> emissions from coal-burning power plants. On March 15, 2005, the U.S. EPA also issued the Clean Air Mercury Rule (CAMR) that required significant mercury emission reductions for coal-burning power plants. These emission reductions were required in two phases: 2009 and 2015 for NO<sub>x</sub>; 2010 and 2015 for SO<sub>2</sub>; and 2010 and 2018 for mercury. Ohio and Indiana subsequently finalized their respective versions of CAIR and CAMR. In response, the Companies determined that it would be necessary to install flue gas desulfurization (FGD) systems at both plants to comply with these new rules. Following completion of the necessary engineering and permitting, construction was started on the new FGD systems.

In February 2008, the D.C. Circuit Court of Appeals issued a decision which vacated the federal CAMR and remanded the rule to the U.S. EPA with a determination that the rule be rewritten under the maximum achievable control technologies (MACT) provision of Section 112(d) of the Clean Air Act. A group of electric utilities and the U.S. EPA requested a rehearing of the decision, which was denied by the Court. Following those denials, both the group of electric utilities and the U.S. EPA requested that the U.S. Supreme Court hear the case. However, in February 2009, the U.S. EPA withdrew its request and the group of utilities' request was denied. These actions left the original court decision in place, which vacated the federal CAMR and remanded the rule to the U.S. EPA with a determination that the rule be rewritten under the MACT provision of Section 112(d) of the Clean Air Act. The U.S. EPA has subsequently written a replacement rule for the regulation of coal-fired utility emissions of mercury and other hazardous air pollutants. This replacement rule was published in the Federal Register on February 16, 2012, and it is referred to as the Mercury and Air Toxics Standards (or MATS) rule. The rule became final on April 16, 2012, and OVEC-IKEC must be in compliance by April 15, 2015 (absent qualifying for and securing a one-year extension from the state regulatory agencies).

In July 2008, the D.C. Circuit Court of Appeals issued a decision that vacated the federal CAIR and remanded the rule to the U.S. EPA. In September 2008, the U.S. EPA, a group of electric utilities and other parties filed petitions for rehearing. In December 2008, the D.C. Circuit Court of Appeals granted the U.S. EPA's petition and remanded the rule to the U.S. EPA without vacatur, allowing the federal CAIR to remain in effect while a new rule was developed and promulgated. Following the remand, the U.S. EPA promulgated a replacement rule to CAIR. This new rule is called the Cross-State Air Pollution Rule (CSAPR) and it was issued on July 6, 2011, and it was scheduled to go into effect on January 1, 2012. However, on December 30, 2011, the D.C. Circuit Court issued an indefinite "stay" of the CSAPR rule until the Court considers the numerous state, trade association, and industry petitions filed to have the rule either stayed or reviewed. The Court also instructed the U.S. EPA to keep CAIR in place while they consider the numerous petitions. On August 21, 2012, in a 2-1 decision, the D.C. Circuit Court vacated the CSAPR rule and ordered the U.S. EPA to keep CAIR in effect until a CSAPR replacement rule is promulgated. The U.S. EPA and other parties filed a petition seeking rehearing before the entire D.C. Circuit Court on October 5, 2012, and on January 24, 2013, the Court denied all petitions for rehearing. The U.S. EPA and other parties may now petition the U.S. Supreme Court to review the D.C. Circuit Court's decision on CSAPR. In the interim, CAIR will remain in effect.

In December 2008, the Boards of Directors of the Companies authorized a delay in construction of the FGD at the Clifty Creek plant of at least 18 months due to economic uncertainty in the capital markets.

In March 2009, the Boards of Directors also authorized a delay in the tie-in of the FGD systems of all five generating units at the Kyger Creek plant pending an investigation into the structural integrity of the internal components of two newly constructed jet bubbling reactors (JBRs), which are major components of the FGD

|   |  |                                |                       |
|---|--|--------------------------------|-----------------------|
| Name of Respondent                        | This Report is:  | Date of Report<br>(Mo, Da, Yr) | Year/Period of Report |
| Ohio Valley Electric Corporation          | (1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | 12/31/2012                     | 2012/Q4               |
| NOTES TO FINANCIAL STATEMENTS (Continued) |  |                                |                       |

system. Extensive studies were conducted relating to this design issue, which affected the FGD construction projects at both the Kyger Creek and Clifty Creek plants, and as a result, the Boards of Directors authorized a complete redesign and replacement of the JBR internal components to resolve this structural integrity issue.

In December 2010, the Boards of Directors authorized the completion of the FGD construction projects at the Kyger Creek and Clifty Creek plants with the redesign and replacement of the JBR internal components. The Kyger Creek plant FGD system became fully operational during the second quarter of 2012 and the Clifty Creek plant FGD system is expected to be fully operational by the end of the second quarter of 2013. One of the two FGD systems at Kyger Creek began successful operations in November 2011. The second FGD at Kyger Creek began operating in the first quarter of 2012.

Additional SO<sub>2</sub> and NO<sub>x</sub> allowances were purchased to operate the Clifty Creek generating units to comply with the reinstated CAIR environmental emission rules during the 2012 compliance period. With the Kyger Creek FGD system now fully operational and with the Clifty Creek FGD systems scheduled to become operational in 2013, and with the 10 SCR systems operational at both plants, management does not currently anticipate the need to purchase additional SO<sub>2</sub> allowances in 2013; however, there may be a need to purchase limited NO<sub>x</sub> allowances in 2013 and beyond.

Clifty Creek's two FGD scrubbers are scheduled to come online in March and May of 2013. As a result, OVEC is positioned to meet the anticipated reductions in SO<sub>2</sub> and NO<sub>x</sub> emissions that are required under the CSAPR rule if the U.S. EPA ultimately prevails on its petition before the Supreme Court and CSAPR is reinstated. Alternatively, OVEC is also positioned to meet comparable emissions reductions that may be required by an equivalent replacement rule should the D.C. Circuit Court decision ultimately stand.

Once all FGD systems are fully operational, OVEC expects to have adequate SO<sub>2</sub> allowances available without having to rely on market purchases if the CSAPR rules are upheld in their current form; however, additional NO<sub>x</sub> allowances or additional NO<sub>x</sub> controls may be necessary for Clifty Creek Unit 6.

Management expects that, with the SCRs and FGD systems fully functional, OVEC will be able to meet the emissions requirements outlined in the Mercury and Air Toxics Standards (MATS) rule by the April 15, 2015, compliance deadline.

The total cost to complete the new Kyger Creek and Clifty Creek FGD systems and the associated landfills is currently estimated not to exceed \$1.35 billion, including the amounts expended to date and included in construction in progress in the accompanying balance sheets.

On November 6, 2009, the Companies received a Section 114 Information Request from the U.S. EPA. The stated purpose of the information request was for the U.S. EPA to obtain the necessary information to determine if the Kyger Creek and Clifty Creek plants have been operating in compliance with the Federal Clean Air Act. Attorneys for the Companies subsequently contacted the U.S. EPA and established a schedule for submission of the requested information. Based on this schedule, all requested information was submitted to the U.S. EPA by March 8, 2010.

In late December 2011, OVEC-IKEC received a letter dated December 21, 2011, from the U.S. EPA requesting follow-up information. Specifically, the U.S. EPA asked for an update on the status of the FGD scrubber projects at both plants as well as additional information on any other new emissions controls that either have been installed or are planned for installation since the last submittal we filed on March 8, 2012. This information was prepared and filed with the U.S. EPA in late January 2012. In the fall of 2012, following an on-site visit, the U.S. EPA made an

|   |   |  |                                  |
|---|---|--|----------------------------------|
| Name of Respondent                        | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>2012/Q4 |
| Ohio Valley Electric Corporation          |   |  |                                  |
| NOTES TO FINANCIAL STATEMENTS (Continued) |   |  |                                  |

informal request that OVEC provide the agency with a monthly email progress report on the Clifty Creek FGD project until both FGD systems are operational in 2013. As of this date, the only communication OVEC has had with the U.S. EPA related to either the original Section 114 data submittal or the supplemental data filing made in 2011 are the monthly email progress reports.

## 10. FAIR VALUE MEASUREMENTS

The accounting guidance for Financial Instruments requires disclosure of the fair value of certain financial instruments. The estimates of fair value under this guidance require the application of broad assumptions and estimates. Accordingly, any actual exchange of such financial instruments could occur at values significantly different from the amounts disclosed. As cash and cash equivalents, current receivables, current payables, and line of credit borrowings are all short term in nature, their carrying amounts approximate fair value.

OVEC utilizes its trustee's external pricing service in its estimate of the fair value of the underlying investments held in the benefit plan trusts and investment portfolios. The Companies' management reviews and validates the prices utilized by the trustee to determine fair value. Equities and fixed income securities are classified as Level 1 holdings if they are actively traded on exchanges. Certain fixed income securities do not trade on an exchange and do not have an official closing price. Pricing vendors calculate bond valuations using financial models and matrices. Fixed income securities are typically classified as Level 2 holdings because their valuation inputs are based on observable market data. Observable inputs used for valuing fixed income securities are benchmark yields, reported trades, broker/dealer quotes, issuer spreads, bids, offers, and economic events. Other securities with model-derived valuation inputs that are observable are also classified as Level 2 investments. Investments with unobservable valuation inputs are classified as Level 3 investments.

As of December 31, 2012 and 2011, the Companies held certain assets that are required to be measured at fair value on a recurring basis. These consist of investments recorded within special deposits and long-term investments. The special deposits consist of money market mutual funds restricted for use on certain projects. The investments consist of money market mutual funds, equity mutual funds, and fixed income municipal securities. Changes in the observed trading prices and liquidity of money market funds are monitored as additional support for determining fair value, and unrealized gains and losses are recorded in earnings.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Companies believe their valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**Long-Term Investments** — Assets measured at fair value on a recurring basis at December 31, 2012 and 2011, were as follows:

|  |   |  |                                  |
|--|---|--|----------------------------------|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>2012/Q4 |
| NOTES TO FINANCIAL STATEMENTS (Continued)              |   |  |                                  |

|                                   | Fair Value Measurements at Reporting Date Using                           |   |  |
|-----------------------------------|---|---|--|
|                                   | Quoted Prices<br>in Active<br>Market for<br>Identical Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
| <b>2012</b>                       |   |   |  |
| Equity mutual funds               | \$21,192,480  | \$ -  | \$ -   |
| Fixed income municipal securities | -   | 96,088,024  | -  |
| Cash and cash equivalents         | <u>61,009,960</u>   | <u>-</u>  | <u>-</u>   |
| <b>Total fair value</b>           | <u>\$82,202,440</u>   | <u>\$96,088,024</u>                                       | <u>\$ -</u>  |
| <b>2011</b>                       |   |   |  |
| Equity mutual funds               | \$17,515,143  | \$ -  | \$ -   |
| Fixed income municipal securities | -   | 86,556,577  | -  |
| Cash and cash equivalents         | <u>2,105,486</u>  | <u>-</u>  | <u>-</u>   |
| <b>Total fair value</b>           | <u>\$19,620,629</u>   | <u>\$86,556,577</u>                                       | <u>\$ -</u>  |

**Long-Term Debt** — The fair values of the senior notes and fixed rate bonds were estimated using discounted cash flow analyses based on current incremental borrowing rates for similar types of borrowing arrangements. These fair values are not reflected in the balance sheets.

The fair values and recorded values of the senior notes and fixed and variable rate bonds as of December 31, 2012 and 2011, are as follows:

|                     | 2012                   |                        | 2011                   |                        |
|---------------------|------------------------|------------------------|------------------------|------------------------|
|                     | Fair Value             | Recorded Value         | Fair Value             | Recorded Value         |
| Senior 2006 Notes   | \$ 351,945,355         | \$ 292,095,074         | \$ 346,562,704         | \$ 306,042,656         |
| 2006 Notes Extended | 80,253,001             | 61,252,481             | 71,775,275             | 62,035,673             |
| Senior 2007 Notes   | 241,074,733            | 199,466,104            | 238,414,890            | 209,264,364            |
| 2007 Notes Extended | 60,951,383             | 46,088,002             | 54,417,306             | 46,682,085             |
| Senior 2008 Notes   | 262,552,244            | 208,927,670            | 259,006,749            | 218,668,424            |
| 2008 Notes Extended | 122,856,716            | 89,252,972             | 109,748,707            | 90,309,284             |
| Senior 2009A Notes  | 100,000,000            | 100,000,000            | 98,520,000             | 100,000,000            |
| 2009A Bonds         | 25,000,000             | 25,000,000             | 25,000,000             | 25,000,000             |
| 2009B Bonds         | 25,000,000             | 25,000,000             | 25,000,000             | 25,000,000             |
| 2009C Bonds         | 25,000,000             | 25,000,000             | 25,000,000             | 25,000,000             |
| 2009D Bonds         | 25,000,000             | 25,000,000             | 25,000,000             | 25,000,000             |
| 2009E Bonds         | 115,638,000            | 100,000,000            | 110,750,000            | 100,000,000            |
| 2010A & B Bonds     | 100,000,000            | 100,000,000            | 100,000,000            | 100,000,000            |
| 2012A Bonds         | 82,713,600             | 77,091,234             | -                      | -                      |
| 2012A Bonds         | 130,217,472            | 122,312,703            | -                      | -                      |
| 2012B & C Bonds     | <u>100,000,000</u>     | <u>100,000,000</u>     | <u>-</u>               | <u>-</u>               |
| <b>Total</b>        | <u>\$1,848,202,504</u> | <u>\$1,596,486,240</u> | <u>\$1,489,195,631</u> | <u>\$1,333,002,486</u> |

|   |   |  |                                  |
|---|---|--|----------------------------------|
| Name of Respondent                        | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>2012/Q4 |
| Ohio Valley Electric Corporation          |   |  |                                  |
| NOTES TO FINANCIAL STATEMENTS (Continued) |   |  |                                  |

## 11. LEASES

OVEC has entered into operating leases to secure railcars for the transportation of coal in connection with the fuel switching modifications at the OVEC and the IKEC generating stations. OVEC has railcar lease agreements that extend to as long as December 31, 2025, with options to exit the leases under certain conditions. The amount in property under capital leases is \$2,277,088 with accumulated depreciation of \$460,693 and \$141,434 as of December 31, 2012 and 2011, respectively. OVEC also has various other operating leases with other property and equipment. During 2012, OVEC terminated certain railcar lease agreements, which resulted in lease termination costs of \$3,497,300. As of December 31, 2012, OVEC had billed Sponsor Companies \$499,614 resulting in a balance of \$2,997,686 that will be recovered from the Sponsor Companies within the next 12 months. This amount is to be recorded in current regulatory assets (see Note 1) and is not included in the lease payments below.

Future minimum lease payments for capital and operating leases at December 31, 2012, are as follows:

| Years Ending<br>December 31                              | Operating           | Capital            |
|--|---------------------|--------------------|
| 2013   | \$ 1,834,312        | \$ 535,492         |
| 2014   | 1,050,918           | 527,119            |
| 2015   | 850,338             | 351,787            |
| 2016   | 4,504               | 139,313            |
| 2017   | -                   | 119,119            |
| Thereafter   | -                   | 573,220            |
| Total future minimum lease payments                      | <u>\$ 3,740,072</u> | 2,246,050          |
| Less estimated interest element                          |                     | <u>590,372</u>     |
| Estimated present value of future minimum lease payments |                     | <u>\$1,655,678</u> |

The annual operating lease cost incurred was \$3,310,227 and \$3,435,766 for 2012 and 2011, respectively, and the annual capital lease cost incurred was \$437,084 and \$138,376 for 2012 and 2011, respectively.

## 12. COMMITMENTS AND CONTINGENCIES

The Companies are party to 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.

\*\*\*\*\*



|  |   |  |  |
|--|---|--|--|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of <u>2012/Q4</u> |
|--|---|--|--|

**STATEMENTS OF ACCUMULATED COMPREHENSIVE INCOME, COMPREHENSIVE INCOME, AND HEDGING ACTIVITIES**

| Line No. | Other Cash Flow Hedges<br>Interest Rate Swaps<br><br>(f) | Other Cash Flow Hedges<br>[Specify]<br><br>(g) | Totals for each category of items recorded in Account 219<br><br>(h) | Net Income (Carried Forward from Page 117, Line 78)<br><br>(i) | Total Comprehensive Income<br><br>(j) |
|----------|--|--|--|--|---------------------------------------|
| 1        |  |  |  |  |                                       |
| 2        |  |  |  |  |                                       |
| 3        |  |  |  |  |                                       |
| 4        |  |  |  | 2,256,690  | 2,256,690                             |
| 5        |  |  |  |  |                                       |
| 6        |  |  |  |  |                                       |
| 7        |  |  |  |  |                                       |
| 8        |  |  |  |  |                                       |
| 9        |  |  |  |  |                                       |
| 10       |  |  |  |  |                                       |

|  |   |  |   |
|--|---|--|---|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of 2012/Q4 |
|--|---|--|---|

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

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

| Line No. | Classification<br>(a)                             | Total Company for the<br>Current Year/Quarter Ended<br>(b) | Electric<br>(c) |
|----------|---|--|-----------------|
| 1        | Utility Plant                                     |  |                 |
| 2        | In Service  |  |                 |
| 3        | Plant in Service (Classified)                     | 1,275,272,764  | 1,275,272,764   |
| 4        | Property Under Capital Leases                     | 1,165,801  | 1,165,801       |
| 5        | Plant Purchased or Sold                           |  |                 |
| 6        | Completed Construction not Classified             |  |                 |
| 7        | Experimental Plant Unclassified                   |  |                 |
| 8        | Total (3 thru 7)                                  | 1,276,438,565  | 1,276,438,565   |
| 9        | Leased to Others                                  |  |                 |
| 10       | Held for Future Use                               |  |                 |
| 11       | Construction Work in Progress                     | 32,847,537   | 32,847,537      |
| 12       | Acquisition Adjustments                           |  |                 |
| 13       | Total Utility Plant (8 thru 12)                   | 1,309,286,102  | 1,309,286,102   |
| 14       | Accum Prov for Depr, Amort, & Depl                | 531,480,132  | 531,480,132     |
| 15       | Net Utility Plant (13 less 14)                    | 777,805,970  | 777,805,970     |
| 16       | Detail of Accum Prov for Depr, Amort & Depl       |  |                 |
| 17       | In Service:                                       |  |                 |
| 18       | Depreciation                                      | 531,480,132  | 531,480,132     |
| 19       | Amort & Depl of Producing Nat Gas Land/Land Right |  |                 |
| 20       | Amort of Underground Storage Land/Land Rights     |  |                 |
| 21       | Amort of Other Utility Plant                      |  |                 |
| 22       | Total In Service (18 thru 21)                     | 531,480,132  | 531,480,132     |
| 23       | Leased to Others                                  |  |                 |
| 24       | Depreciation                                      |  |                 |
| 25       | Amortization and Depletion                        |  |                 |
| 26       | Total Leased to Others (24 & 25)                  |  |                 |
| 27       | Held for Future Use                               |  |                 |
| 28       | Depreciation                                      |  |                 |
| 29       | Amortization                                      |  |                 |
| 30       | Total Held for Future Use (28 & 29)               |  |                 |
| 31       | Abandonment of Leases (Natural Gas)               |  |                 |
| 32       | Amort of Plant Acquisition Adj                    |  |                 |
| 33       | Total Accum Prov (equals 14) (22,26,30,31,32)     | 531,480,132  | 531,480,132     |

|  |   |  |  |
|--|---|--|--|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of <u>2012/Q4</u> |
|--|---|--|--|

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

| Gas<br>(d) | Other (Specify)<br>(e) | Other (Specify)<br>(f) | Other (Specify)<br>(g) | Common<br>(h) | Line<br>No. |
|------------|------------------------|------------------------|------------------------|---------------|-------------|
|            |                        |                        |                        |               | 1           |
|            |                        |                        |                        |               | 2           |
|            |                        |                        |                        |               | 3           |
|            |                        |                        |                        |               | 4           |
|            |                        |                        |                        |               | 5           |
|            |                        |                        |                        |               | 6           |
|            |                        |                        |                        |               | 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          |

|  |   |  |   |
|--|---|--|---|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of 2012/Q4 |
|--|---|--|---|

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

1. Report below the original cost of electric plant in service according to the prescribed accounts.
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.
3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.
4. For revisions to the amount of initial asset retirement costs capitalized, included by primary plant account, increases in column (c) additions and reductions in column (e) adjustments.
5. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.
6. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d)

| Line No. | Account (a)  | Balance Beginning of Year (b) | Additions (c) |
|----------|--|-------------------------------|---------------|
| 1        | 1. INTANGIBLE PLANT  |                               |               |
| 2        | (301) Organization   | 18,924                        |               |
| 3        | (302) Franchises and Consents                                      |                               |               |
| 4        | (303) Miscellaneous Intangible Plant                               |                               |               |
| 5        | TOTAL Intangible Plant (Enter Total of lines 2, 3, and 4)          | 18,924                        |               |
| 6        | 2. PRODUCTION PLANT  |                               |               |
| 7        | A. Steam Production Plant  |                               |               |
| 8        | (310) Land and Land Rights   | 469,124                       | 2,560,486     |
| 9        | (311) Structures and Improvements                                  | 245,158,113                   | 26,026,817    |
| 10       | (312) Boiler Plant Equipment                                       | 680,976,024                   | 146,296,394   |
| 11       | (313) Engines and Engine-Driven Generators                         |                               |               |
| 12       | (314) Turbogenerator Units   | 67,422,450                    | 158,116       |
| 13       | (315) Accessory Electric Equipment                                 | 23,349,993                    | 328,011       |
| 14       | (316) Misc. Power Plant Equipment                                  | 26,400,503                    | 82,316        |
| 15       | (317) Asset Retirement Costs for Steam Production                  |                               |               |
| 16       | TOTAL Steam Production Plant (Enter Total of lines 8 thru 15)      | 1,043,776,207                 | 175,452,140   |
| 17       | B. Nuclear Production Plant  |                               |               |
| 18       | (320) Land and Land Rights   |                               |               |
| 19       | (321) Structures and Improvements                                  |                               |               |
| 20       | (322) Reactor Plant Equipment                                      |                               |               |
| 21       | (323) Turbogenerator Units   |                               |               |
| 22       | (324) Accessory Electric Equipment                                 |                               |               |
| 23       | (325) Misc. Power Plant Equipment                                  |                               |               |
| 24       | (326) Asset Retirement Costs for Nuclear Production                |                               |               |
| 25       | TOTAL Nuclear Production Plant (Enter Total of lines 18 thru 24)   |                               |               |
| 26       | C. Hydraulic Production Plant                                      |                               |               |
| 27       | (330) Land and Land Rights   |                               |               |
| 28       | (331) Structures and Improvements                                  |                               |               |
| 29       | (332) Reservoirs, Dams, and Waterways                              |                               |               |
| 30       | (333) Water Wheels, Turbines, and Generators                       |                               |               |
| 31       | (334) Accessory Electric Equipment                                 |                               |               |
| 32       | (335) Misc. Power PLant Equipment                                  |                               |               |
| 33       | (336) Roads, Railroads, and Bridges                                |                               |               |
| 34       | (337) Asset Retirement Costs for Hydraulic Production              |                               |               |
| 35       | TOTAL Hydraulic Production Plant (Enter Total of lines 27 thru 34) |                               |               |
| 36       | D. Other Production Plant  |                               |               |
| 37       | (340) Land and Land Rights   |                               |               |
| 38       | (341) Structures and Improvements                                  |                               |               |
| 39       | (342) Fuel Holders, Products, and Accessories                      |                               |               |
| 40       | (343) Prime Movers   |                               |               |
| 41       | (344) Generators   |                               |               |
| 42       | (345) Accessory Electric Equipment                                 |                               |               |
| 43       | (346) Misc. Power Plant Equipment                                  |                               |               |
| 44       | (347) Asset Retirement Costs for Other Production                  |                               |               |
| 45       | TOTAL Other Prod. Plant (Enter Total of lines 37 thru 44)          |                               |               |
| 46       | TOTAL Prod. Plant (Enter Total of lines 16, 25, 35, and 45)        | 1,043,776,207                 | 175,452,140   |

|  |   |  |   |
|--|---|--|---|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of 2012/Q4 |
|--|---|--|---|

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

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

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

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

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

| Retirements<br>(d) | Adjustments<br>(e) | Transfers<br>(f) | Balance at<br>End of Year<br>(g) | Line<br>No. |
|--------------------|--------------------|------------------|----------------------------------|-------------|
|                    |                    |                  |                                  | 1           |
|                    |                    |                  | 18,924                           | 2           |
|                    |                    |                  |                                  | 3           |
|                    |                    |                  |                                  | 4           |
|                    |                    |                  | 18,924                           | 5           |
|                    |                    |                  |                                  | 6           |
|                    |                    |                  |                                  | 7           |
|                    |                    |                  | 3,029,610                        | 8           |
| 15,098             |                    |                  | 271,169,832                      | 9           |
| 2,050,014          |                    |                  | 825,222,404                      | 10          |
|                    |                    |                  |                                  | 11          |
| 74,254             |                    |                  | 67,506,312                       | 12          |
| 60,748             |                    |                  | 23,617,256                       | 13          |
| 5,856              |                    |                  | 26,476,963                       | 14          |
|                    |                    |                  |                                  | 15          |
| 2,205,970          |                    |                  | 1,217,022,377                    | 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          |
| 2,205,970          |                    |                  | 1,217,022,377                    | 46          |
|                    |                    |                  |                                  |             |

|  |   |  |   |
|--|---|--|---|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of 2012/Q4 |
|--|---|--|---|

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

| Line No. | Account<br>(a)  | Balance<br>Beginning of Year<br>(b) | Additions<br>(c) |
|----------|---|-------------------------------------|------------------|
| 47       | <b>3. TRANSMISSION PLANT</b>  |                                     |                  |
| 48       | (350) Land and Land Rights  | 1,979,740                           |                  |
| 49       | (352) Structures and Improvements   | 753,220                             |                  |
| 50       | (353) Station Equipment   | 19,161,576                          | 99,441           |
| 51       | (354) Towers and Fixtures   | 13,109,919                          |                  |
| 52       | (355) Poles and Fixtures  |                                     |                  |
| 53       | (356) Overhead Conductors and Devices   | 12,689,634                          |                  |
| 54       | (357) Underground Conduit   |                                     |                  |
| 55       | (358) Underground Conductors and Devices                                      |                                     |                  |
| 56       | (359) Roads and Trails  |                                     |                  |
| 57       | (359.1) Asset Retirement Costs for Transmission Plant                         |                                     |                  |
| 58       | <b>TOTAL Transmission Plant (Enter Total of lines 48 thru 57)</b>             | 47,694,089                          | 99,441           |
| 59       | <b>4. DISTRIBUTION PLANT</b>  |                                     |                  |
| 60       | (360) Land and Land Rights  |                                     |                  |
| 61       | (361) Structures and Improvements   |                                     |                  |
| 62       | (362) Station Equipment   |                                     |                  |
| 63       | (363) Storage Battery Equipment   |                                     |                  |
| 64       | (364) Poles, Towers, and Fixtures   |                                     |                  |
| 65       | (365) Overhead Conductors and Devices   |                                     |                  |
| 66       | (366) Underground Conduit   |                                     |                  |
| 67       | (367) Underground Conductors and Devices                                      |                                     |                  |
| 68       | (368) Line Transformers   |                                     |                  |
| 69       | (369) Services  |                                     |                  |
| 70       | (370) Meters  |                                     |                  |
| 71       | (371) Installations on Customer Premises                                      |                                     |                  |
| 72       | (372) Leased Property on Customer Premises                                    |                                     |                  |
| 73       | (373) Street Lighting and Signal Systems                                      |                                     |                  |
| 74       | (374) Asset Retirement Costs for Distribution Plant                           |                                     |                  |
| 75       | <b>TOTAL Distribution Plant (Enter Total of lines 60 thru 74)</b>             |                                     |                  |
| 76       | <b>5. REGIONAL TRANSMISSION AND MARKET OPERATION PLANT</b>                    |                                     |                  |
| 77       | (380) Land and Land Rights  |                                     |                  |
| 78       | (381) Structures and Improvements   |                                     |                  |
| 79       | (382) Computer Hardware   |                                     |                  |
| 80       | (383) Computer Software   |                                     |                  |
| 81       | (384) Communication Equipment   |                                     |                  |
| 82       | (385) Miscellaneous Regional Transmission and Market Operation Plant          |                                     |                  |
| 83       | (386) Asset Retirement Costs for Regional Transmission and Market Oper        |                                     |                  |
| 84       | <b>TOTAL Transmission and Market Operation Plant (Total lines 77 thru 83)</b> |                                     |                  |
| 85       | <b>6. GENERAL PLANT</b>   |                                     |                  |
| 86       | (389) Land and Land Rights  | 124,762                             |                  |
| 87       | (390) Structures and Improvements   | 4,527,221                           |                  |
| 88       | (391) Office Furniture and Equipment  | 3,044,618                           | 213,383          |
| 89       | (392) Transportation Equipment  | 857,293                             | 79,032           |
| 90       | (393) Stores Equipment  | 590                                 |                  |
| 91       | (394) Tools, Shop and Garage Equipment  | 444,245                             |                  |
| 92       | (395) Laboratory Equipment  | 678,288                             | 12,040           |
| 93       | (396) Power Operated Equipment  | 1,794,543                           |                  |
| 94       | (397) Communication Equipment   |                                     |                  |
| 95       | (398) Miscellaneous Equipment   |                                     |                  |
| 96       | <b>SUBTOTAL (Enter Total of lines 86 thru 95)</b>                             | 11,471,560                          | 304,455          |
| 97       | (399) Other Tangible Property   |                                     |                  |
| 98       | (399.1) Asset Retirement Costs for General Plant                              |                                     |                  |
| 99       | <b>TOTAL General Plant (Enter Total of lines 96, 97 and 98)</b>               | 11,471,560                          | 304,455          |
| 100      | <b>TOTAL (Accounts 101 and 106)</b>   | 1,102,960,780                       | 175,856,036      |
| 101      | (102) Electric Plant Purchased (See Instr. 8)                                 |                                     |                  |
| 102      | (Less) (102) Electric Plant Sold (See Instr. 8)                               |                                     |                  |
| 103      | (103) Experimental Plant Unclassified   |                                     |                  |
| 104      | <b>TOTAL Electric Plant in Service (Enter Total of lines 100 thru 103)</b>    | 1,102,960,780                       | 175,856,036      |

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

| Retirements<br>(d) | Adjustments<br>(e) | Transfers<br>(f) | Balance at<br>End of Year<br>(g) | Line<br>No. |
|--------------------|--------------------|------------------|----------------------------------|-------------|
|                    |                    |                  |                                  | 47          |
|                    |                    |                  | 1,979,740                        | 48          |
|                    |                    |                  | 753,220                          | 49          |
| 44,819             |                    |                  | 19,216,198                       | 50          |
|                    |                    |                  | 13,109,919                       | 51          |
|                    |                    |                  |                                  | 52          |
|                    |                    |                  | 12,689,634                       | 53          |
|                    |                    |                  |                                  | 54          |
|                    |                    |                  |                                  | 55          |
|                    |                    |                  |                                  | 56          |
|                    |                    |                  |                                  | 57          |
| 44,819             |                    |                  | 47,748,711                       | 58          |
|                    |                    |                  |                                  | 59          |
|                    |                    |                  |                                  | 60          |
|                    |                    |                  |                                  | 61          |
|                    |                    |                  |                                  | 62          |
|                    |                    |                  |                                  | 63          |
|                    |                    |                  |                                  | 64          |
|                    |                    |                  |                                  | 65          |
|                    |                    |                  |                                  | 66          |
|                    |                    |                  |                                  | 67          |
|                    |                    |                  |                                  | 68          |
|                    |                    |                  |                                  | 69          |
|                    |                    |                  |                                  | 70          |
|                    |                    |                  |                                  | 71          |
|                    |                    |                  |                                  | 72          |
|                    |                    |                  |                                  | 73          |
|                    |                    |                  |                                  | 74          |
|                    |                    |                  |                                  | 75          |
|                    |                    |                  |                                  | 76          |
|                    |                    |                  |                                  | 77          |
|                    |                    |                  |                                  | 78          |
|                    |                    |                  |                                  | 79          |
|                    |                    |                  |                                  | 80          |
|                    |                    |                  |                                  | 81          |
|                    |                    |                  |                                  | 82          |
|                    |                    |                  |                                  | 83          |
|                    |                    |                  |                                  | 84          |
|                    |                    |                  |                                  | 85          |
|                    |                    |                  | 124,762                          | 86          |
| 10,540             |                    |                  | 4,516,681                        | 87          |
| 65,885             |                    |                  | 3,192,116                        | 88          |
| 47,937             |                    |                  | 888,388                          | 89          |
|                    |                    |                  | 590                              | 90          |
|                    |                    |                  | 444,245                          | 91          |
| 3,100              |                    |                  | 687,228                          | 92          |
|                    |                    |                  | 1,794,543                        | 93          |
|                    |                    |                  |                                  | 94          |
|                    |                    |                  |                                  | 95          |
| 127,462            |                    |                  | 11,648,553                       | 96          |
|                    |                    |                  |                                  | 97          |
|                    |                    |                  |                                  | 98          |
| 127,462            |                    |                  | 11,648,553                       | 99          |
| 2,378,251          |                    |                  | 1,276,438,565                    | 100         |
|                    |                    |                  |                                  | 101         |
|                    |                    |                  |                                  | 102         |
|                    |                    |                  |                                  | 103         |
| 2,378,251          |                    |                  | 1,276,438,565                    | 104         |
|                    |                    |                  |                                  |             |

|  |   |  |   |
|--|---|--|---|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of 2012/Q4 |
|--|---|--|---|

**CONSTRUCTION WORK IN PROGRESS - - ELECTRIC (Account 107)**

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

| Line No. | Description of Project<br>(a)             | Construction work in progress -<br>Electric (Account 107)<br>(b) |
|----------|---|--|
| 1        | Flue Gas Desulfurization Landfill Project | 17,231,282   |
| 2        | Unit # 3 Reheat & Header - Material       | 3,284,581  |
| 3        | Eight Gas Circuit Breakers                | 2,966,490  |
| 4        | Unit # 2 Reheat & Header - Material       | 2,024,446  |
| 5        | Seven Gas Circuit Breakers                | 2,021,436  |
| 6        | Turbine Room Roof                         | 757,903  |
| 7        | Unit # 3 Sidewall & Header - Material     | 521,210  |
| 8        | Boiler Water Monitoring                   | 460,693  |
| 9        | Manlift - Station # 5 Coal Yard           | 435,094  |
| 10       | Out of Period Estimate                    | 363,897  |
| 11       | Unit # 5 Reheat Tube - Material           | 333,671  |
| 12       | Ultrasonic Leak Detection                 | 314,355  |
| 13       | Ammonia Waste Util. Tank                  | 292,625  |
| 14       | Unit CEMS Re-Implementation               | 272,599  |
| 15       | Clifty-Pierce Tower # 38                  | 271,424  |
| 16       | Reverse Osmosis Addition                  | 187,571  |
| 17       | Unit #123 GSU Differential Relay          | 146,131  |
| 18       | Four Auto Voltage Regulators              | 145,878  |
| 19       | Arc Flash Project                         | 125,718  |
| 20       | Walk Behind Crane                         | 122,290  |
| 21       | Two SOMS Servers                          | 115,541  |
| 22       | Unit # 3 Slope Tubes - Material           | 108,070  |
| 23       |   |  |
| 24       | Projects Less Than \$100,000              | 344,632  |
| 25       |   |  |
| 26       |   |  |
| 27       |   |  |
| 28       |   |  |
| 29       |   |  |
| 30       |   |  |
| 31       |   |  |
| 32       |   |  |
| 33       |   |  |
| 34       |   |  |
| 35       |   |  |
| 36       |   |  |
| 37       |   |  |
| 38       |   |  |
| 39       |   |  |
| 40       |   |  |
| 41       |   |  |
| 42       |   |  |
| 43       | TOTAL                                     | 32,847,537   |

|  |   |  |   |
|--|---|--|---|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of 2012/Q4 |
|--|---|--|---|

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

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

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

| Line No. | Item (a)  | Total (c+d+e) (b) | Electric Plant in Service (c) | Electric Plant Held for Future Use (d) | Electric Plant Leased to Others (e) |
|----------|---|-------------------|-------------------------------|--|-------------------------------------|
| 1        | Balance Beginning of Year   | 477,412,407       | 477,412,407                   |  |                                     |
| 2        | Depreciation Provisions for Year, Charged to                      |                   |                               |  |                                     |
| 3        | (403) Depreciation Expense  | 56,419,094        | 56,419,094                    |  |                                     |
| 4        | (403.1) Depreciation Expense for Asset Retirement Costs           | 372,036           | 372,036                       |  |                                     |
| 5        | (413) Exp. of Elec. Plt. Leas. to Others                          |                   |                               |  |                                     |
| 6        | Transportation Expenses-Clearing                                  |                   |                               |  |                                     |
| 7        | Other Clearing Accounts   |                   |                               |  |                                     |
| 8        | Other Accounts (Specify, details in footnote):                    |                   |                               |  |                                     |
| 9        |   |                   |                               |  |                                     |
| 10       | TOTAL Deprec. Prov for Year (Enter Total of lines 3 thru 9)       | 56,791,130        | 56,791,130                    |  |                                     |
| 11       | Net Charges for Plant Retired:                                    |                   |                               |  |                                     |
| 12       | Book Cost of Plant Retired  | 2,384,060         | 2,384,060                     |  |                                     |
| 13       | Cost of Removal   |                   |                               |  |                                     |
| 14       | Salvage (Credit)  | 280,104           | 280,104                       |  |                                     |
| 15       | TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 12 thru 14) | 2,103,956         | 2,103,956                     |  |                                     |
| 16       | Other Debit or Cr. Items (Describe, details in footnote):         |                   |                               |  |                                     |
| 17       | Change in RWIP, Deferred Depreciation                             | -619,449          | -619,449                      |  |                                     |
| 18       | Book Cost or Asset Retirement Costs Retired                       |                   |                               |  |                                     |
| 19       | Balance End of Year (Enter Totals of lines 1, 10, 15, 16, and 18) | 531,480,132       | 531,480,132                   |  |                                     |

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

|    |  |             |             |  |  |
|----|--|-------------|-------------|--|--|
| 20 | Steam Production                           | 506,748,089 | 506,748,089 |  |  |
| 21 | Nuclear Production                         |             |             |  |  |
| 22 | Hydraulic Production-Conventional          |             |             |  |  |
| 23 | Hydraulic Production-Pumped Storage        |             |             |  |  |
| 24 | Other Production                           |             |             |  |  |
| 25 | Transmission                               | 19,881,777  | 19,881,777  |  |  |
| 26 | Distribution                               |             |             |  |  |
| 27 | Regional Transmission and Market Operation |             |             |  |  |
| 28 | General                                    | 4,850,266   | 4,850,266   |  |  |
| 29 | TOTAL (Enter Total of lines 20 thru 28)    | 531,480,132 | 531,480,132 |  |  |

|  |   |  |  |
|--|---|--|--|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of <u>2012/Q4</u> |
|--|---|--|--|

**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 there under 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<br>(a)              | Date Acquired<br>(b) | Date Of Maturity<br>(c) | Amount of Investment at Beginning of Year<br>(d) |
|----------|---|----------------------|-------------------------|--|
| 1        | Indiana-Kentucky Electric Corporation         |                      |                         |  |
| 2        | Common Stock without par value, 17,000 shares |                      |                         |  |
| 3        | 5 shares                                      | 10/09/52             |                         | 1,000  |
| 4        | 995 shares                                    | 11/19/52             |                         | 199,000  |
| 5        | 2,500 shares                                  | 01/16/53             |                         | 500,000  |
| 6        | 2,000 shares                                  | 03/06/53             |                         | 400,000  |
| 7        | 2,000 shares                                  | 04/14/53             |                         | 400,000  |
| 8        | 2,500 shares                                  | 05/20/53             |                         | 500,000  |
| 9        | 2,000 shares                                  | 06/30/53             |                         | 400,000  |
| 10       | 5,000 shares                                  | 07/17/53             |                         | 1,000,000  |
| 11       |   |                      |                         |  |
| 12       |   |                      |                         |  |
| 13       | Advances to Subsidiary Company-               |                      |                         |  |
| 14       | Selective Catalytic Converter Open Account    | 12/31/02             | 03/12/26                | 116,948,741                                      |
| 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       | Total Cost of Account 123.1 \$                | 0                    | TOTAL                   | 120,348,741                                      |

|  |   |  |  |
|--|---|--|--|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of <u>2012/Q4</u> |
|--|---|--|--|

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

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

| Equity in Subsidiary Earnings of Year (e) | Revenues for Year (f) | Amount of Investment at End of Year (g) | Gain or Loss from Investment Disposed of (h) | Line No. |
|---|-----------------------|---|--|----------|
|   |                       |   |  | 1        |
|   |                       |   |  | 2        |
|   |                       | 1,000                                   |  | 3        |
|   |                       | 199,000                                 |  | 4        |
|   |                       | 500,000                                 |  | 5        |
|   |                       | 400,000                                 |  | 6        |
|   |                       | 400,000                                 |  | 7        |
|   |                       | 500,000                                 |  | 8        |
|   |                       | 400,000                                 |  | 9        |
|   |                       | 1,000,000                               |  | 10       |
|   |                       |   |  | 11       |
|   |                       |   |  | 12       |
|   |                       |   |  | 13       |
|   |                       | 109,403,661                             |  | 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       |
|   |                       | 112,803,661                             |  | 42       |

| Name of Respondent<br>Ohio Valley Electric Corporation   |  | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |                            | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012        | Year/Period of Report<br>End of <u>2012/Q4</u> |
|--|--|---|----------------------------|---|--|
| <b>MATERIALS AND SUPPLIES</b>  |  |   |                            |   |  |
| <p>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.</p> <p>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.</p> |  |   |                            |   |  |
| Line No.   | Account<br>(a)   | Balance Beginning of Year<br>(b)  | Balance End of Year<br>(c) | Department or Departments which Use Material<br>(d) |  |
| 1  | Fuel Stock (Account 151)   | 17,414,166  | 28,067,453                 | Electric  |  |
| 2  | Fuel Stock Expenses Undistributed (Account 152)                        |   |                            |   |  |
| 3  | Residuals and Extracted Products (Account 153)                         |   |                            |   |  |
| 4  | Plant Materials and Operating Supplies (Account 154)                   |   |                            |   |  |
| 5  | Assigned to - Construction (Estimated)                                 |   |                            |   |  |
| 6  | Assigned to - Operations and Maintenance                               |   |                            |   |  |
| 7  | Production Plant (Estimated)   | 14,106,880  | 15,326,590                 | Electric  |  |
| 8  | Transmission Plant (Estimated)   | 201,442   | 163,212                    | Electric  |  |
| 9  | Distribution Plant (Estimated)   |   |                            |   |  |
| 10   | Regional Transmission and Market Operation Plant (Estimated)           |   |                            |   |  |
| 11   | Assigned to - Other (provide details in footnote)                      |   |                            |   |  |
| 12   | TOTAL Account 154 (Enter Total of lines 5 thru 11)                     | 14,308,322  | 15,489,802                 |   |  |
| 13   | Merchandise (Account 155)  |   |                            |   |  |
| 14   | Other Materials and Supplies (Account 156)                             |   |                            |   |  |
| 15   | Nuclear Materials Held for Sale (Account 157) (Not applic to Gas Util) |   |                            |   |  |
| 16   | Stores Expense Undistributed (Account 163)                             |   |                            | Electric  |  |
| 17   |  |   |                            |   |  |
| 18   |  |   |                            |   |  |
| 19   |  |   |                            |   |  |
| 20   | TOTAL Materials and Supplies (Per Balance Sheet)                       | 31,722,488  | 43,557,255                 |   |  |

|  |   |  |   |
|--|---|--|---|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of 2012/Q4 |
|--|---|--|---|

Allowances (Accounts 158.1 and 158.2)

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

| Line No. | SO2 Allowances Inventory<br>(Account 158.1)<br>(a) | Current Year |             | 2013       |             |
|----------|--|--------------|-------------|------------|-------------|
|          |  | No.<br>(b)   | Amt.<br>(c) | No.<br>(d) | Amt.<br>(e) |
| 1        | Balance-Beginning of Year                          | 3,331.00     | 4,896       |            |             |
| 2        |  |              |             |            |             |
| 3        | Acquired During Year:                              |              |             |            |             |
| 4        | Issued (Less Withheld Allow)                       | 19,610.00    |             | 19,610.00  |             |
| 5        | Returned by EPA                                    |              |             |            |             |
| 6        |  |              |             |            |             |
| 7        |  |              |             |            |             |
| 8        | Purchases/Transfers:                               |              |             |            |             |
| 9        | EPA Auction  | 5,500.00     | 12,161      |            |             |
| 10       | Duke Energy  | 9,000.00     | 11,700      |            |             |
| 11       |  |              |             |            |             |
| 12       |  |              |             |            |             |
| 13       |  |              |             |            |             |
| 14       |  |              |             |            |             |
| 15       | Total  | 14,500.00    | 23,861      |            |             |
| 16       |  |              |             |            |             |
| 17       | Relinquished During Year:                          |              |             |            |             |
| 18       | Charges to Account 509                             | 4,990.00     | 1,861       |            |             |
| 19       | Other:   |              |             |            |             |
| 20       |  |              |             |            |             |
| 21       | Cost of Sales/Transfers:                           |              |             |            |             |
| 22       | Transfer to IKEC                                   | 25,578.00    | 19,342      |            |             |
| 23       |  |              |             |            |             |
| 24       |  |              |             |            |             |
| 25       |  |              |             |            |             |
| 26       |  |              |             |            |             |
| 27       |  |              |             |            |             |
| 28       | Total  | 25,578.00    | 19,342      |            |             |
| 29       | Balance-End of Year                                | 6,873.00     | 7,554       | 19,610.00  |             |
| 30       |  |              |             |            |             |
| 31       | Sales:   |              |             |            |             |
| 32       | Net Sales Proceeds(Assoc. Co.)                     |              |             |            |             |
| 33       | Net Sales Proceeds (Other)                         |              |             |            |             |
| 34       | Gains  |              |             |            |             |
| 35       | Losses   |              |             |            |             |
|          | Allowances Withheld (Acct 158.2)                   |              |             |            |             |
| 36       | Balance-Beginning of Year                          |              |             |            |             |
| 37       | Add: Withheld by EPA                               | 570.00       |             | 570.00     |             |
| 38       | Deduct: Returned by EPA                            |              |             |            |             |
| 39       | Cost of Sales                                      | 570.00       |             |            |             |
| 40       | Balance-End of Year                                |              |             | 570.00     |             |
| 41       |  |              |             |            |             |
| 42       | Sales:   |              |             |            |             |
| 43       | Net Sales Proceeds (Assoc. Co.)                    |              |             |            |             |
| 44       | Net Sales Proceeds (Other)                         | 570.00       | 380         |            |             |
| 45       | Gains  |              |             |            |             |
| 46       | Losses   |              |             |            |             |

|  |   |  |   |
|--|---|--|---|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of 2012/Q4 |
|--|---|--|---|

Allowances (Accounts 158.1 and 158.2) (Continued)

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

| 2014      |          | 2015     |          | Future Years |          | Totals     |          | Line No. |
|-----------|----------|----------|----------|--------------|----------|------------|----------|----------|
| No. (f)   | Amt. (g) | No. (h)  | Amt. (i) | No. (j)      | Amt. (k) | No. (l)    | Amt. (m) |          |
|           |          |          |          |              |          | 3,331.00   | 4,896    | 1        |
|           |          |          |          |              |          |            |          | 2        |
|           |          |          |          |              |          |            |          | 3        |
| 19,610.00 |          | 1,961.00 |          | 294,150.00   |          | 354,941.00 |          | 4        |
|           |          |          |          |              |          |            |          | 5        |
|           |          |          |          |              |          |            |          | 6        |
|           |          |          |          |              |          |            |          | 7        |
|           |          |          |          |              |          |            |          | 8        |
|           |          |          |          |              |          | 5,500.00   | 12,161   | 9        |
|           |          |          |          |              |          | 9,000.00   | 11,700   | 10       |
|           |          |          |          |              |          |            |          | 11       |
|           |          |          |          |              |          |            |          | 12       |
|           |          |          |          |              |          |            |          | 13       |
|           |          |          |          |              |          |            |          | 14       |
|           |          |          |          |              |          | 14,500.00  | 23,861   | 15       |
|           |          |          |          |              |          |            |          | 16       |
|           |          |          |          |              |          |            |          | 17       |
|           |          |          |          |              |          | 4,990.00   | 1,861    | 18       |
|           |          |          |          |              |          |            |          | 19       |
|           |          |          |          |              |          |            |          | 20       |
|           |          |          |          |              |          |            |          | 21       |
|           |          |          |          |              |          | 25,578.00  | 19,342   | 22       |
|           |          |          |          |              |          |            |          | 23       |
|           |          |          |          |              |          |            |          | 24       |
|           |          |          |          |              |          |            |          | 25       |
|           |          |          |          |              |          |            |          | 26       |
|           |          |          |          |              |          |            |          | 27       |
|           |          |          |          |              |          | 25,578.00  | 19,342   | 28       |
| 19,610.00 |          | 1,961.00 |          | 294,150.00   |          | 342,204.00 | 7,554    | 29       |
|           |          |          |          |              |          |            |          | 30       |
|           |          |          |          |              |          |            |          | 31       |
|           |          |          |          |              |          |            |          | 32       |
|           |          |          |          |              |          |            |          | 33       |
|           |          |          |          |              |          |            |          | 34       |
|           |          |          |          |              |          |            |          | 35       |
|           |          |          |          |              |          |            |          | 36       |
| 570.00    |          | 570.00   |          | 14,765.00    |          | 17,045.00  |          | 37       |
|           |          |          |          |              |          |            |          | 38       |
|           |          |          |          |              |          | 570.00     |          | 39       |
| 570.00    |          | 570.00   |          | 14,765.00    |          | 16,475.00  |          | 40       |
|           |          |          |          |              |          |            |          | 41       |
|           |          |          |          |              |          |            |          | 42       |
|           |          |          |          |              |          |            |          | 43       |
|           |          |          |          | 565.00       | 74       | 1,135.00   | 454      | 44       |
|           |          |          |          |              |          |            |          | 45       |
|           |          |          |          |              |          |            |          | 46       |

|  |   |  |  |
|--|---|--|--|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of <u>2012/Q4</u> |
|--|---|--|--|

Allowances (Accounts 158.1 and 158.2)

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

| Line No. | NOx Allowances Inventory<br>(Account 158.1)<br>(a) | Current Year |             | 2013       |             |
|----------|--|--------------|-------------|------------|-------------|
|          |  | No.<br>(b)   | Amt.<br>(c) | No.<br>(d) | Amt.<br>(e) |
| 1        | Balance-Beginning of Year                          | 2,163.00     | 23,623      | 7,370.00   |             |
| 2        |  |              |             |            |             |
| 3        | Acquired During Year:                              |              |             |            |             |
| 4        | Issued (Less Withheld Allow)                       | 7,370.00     |             |            |             |
| 5        | Returned by EPA                                    | 433.00       |             |            |             |
| 6        |  |              |             |            |             |
| 7        |  |              |             |            |             |
| 8        | Purchases/Transfers:                               | 8,000.00     | 325,900     |            |             |
| 9        |  |              |             |            |             |
| 10       |  |              |             |            |             |
| 11       |  |              |             |            |             |
| 12       |  |              |             |            |             |
| 13       |  |              |             |            |             |
| 14       |  |              |             |            |             |
| 15       | Total  | 8,000.00     | 325,900     |            |             |
| 16       |  |              |             |            |             |
| 17       | Relinquished During Year:                          |              |             |            |             |
| 18       | Charges to Account 509                             | 6,464.00     | 70,458      |            |             |
| 19       | Other:   |              |             |            |             |
| 20       |  |              |             |            |             |
| 21       | Cost of Sales/Transfers:                           |              |             |            |             |
| 22       | Transfer to IKEC                                   | 9,841.00     | 199,970     |            |             |
| 23       |  |              |             |            |             |
| 24       |  |              |             |            |             |
| 25       |  |              |             |            |             |
| 26       |  |              |             |            |             |
| 27       |  |              |             |            |             |
| 28       | Total  | 9,841.00     | 199,970     |            |             |
| 29       | Balance-End of Year                                | 1,661.00     | 79,095      | 7,370.00   |             |
| 30       |  |              |             |            |             |
| 31       | Sales:   |              |             |            |             |
| 32       | Net Sales Proceeds(Assoc. Co.)                     |              |             |            |             |
| 33       | Net Sales Proceeds (Other)                         |              |             |            |             |
| 34       | Gains  |              |             |            |             |
| 35       | Losses   |              |             |            |             |
|          | Allowances Withheld (Acct 158.2)                   |              |             |            |             |
| 36       | Balance-Beginning of Year                          |              |             |            |             |
| 37       | Add: Withheld by EPA                               |              |             |            |             |
| 38       | Deduct: Returned by EPA                            |              |             |            |             |
| 39       | Cost of Sales                                      |              |             |            |             |
| 40       | Balance-End of Year                                |              |             |            |             |
| 41       |  |              |             |            |             |
| 42       | Sales:   |              |             |            |             |
| 43       | Net Sales Proceeds (Assoc. Co.)                    |              |             |            |             |
| 44       | Net Sales Proceeds (Other)                         |              |             |            |             |
| 45       | Gains  |              |             |            |             |
| 46       | Losses   |              |             |            |             |

|  |   |  |   |
|--|---|--|---|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of 2012/Q4 |
|--|---|--|---|

Allowances (Accounts 158.1 and 158.2) (Continued)

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

| 2014     |          | 2015     |          | Future Years |          | Totals    |          | Line No. |
|----------|----------|----------|----------|--------------|----------|-----------|----------|----------|
| No. (f)  | Amt. (g) | No. (h)  | Amt. (i) | No. (j)      | Amt. (k) | No. (l)   | Amt. (m) |          |
| 7,370.00 |          | 7,370.00 |          | 7,370.00     |          | 31,643.00 | 23,623   | 1        |
|          |          |          |          |              |          |           |          | 2        |
|          |          |          |          |              |          |           |          | 3        |
|          |          |          |          |              |          | 7,370.00  |          | 4        |
|          |          |          |          |              |          | 433.00    |          | 5        |
|          |          |          |          |              |          |           |          | 6        |
|          |          |          |          |              |          |           |          | 7        |
|          |          |          |          |              |          | 8,000.00  | 325,900  | 8        |
|          |          |          |          |              |          |           |          | 9        |
|          |          |          |          |              |          |           |          | 10       |
|          |          |          |          |              |          |           |          | 11       |
|          |          |          |          |              |          |           |          | 12       |
|          |          |          |          |              |          |           |          | 13       |
|          |          |          |          |              |          |           |          | 14       |
|          |          |          |          |              |          | 8,000.00  | 325,900  | 15       |
|          |          |          |          |              |          |           |          | 16       |
|          |          |          |          |              |          |           |          | 17       |
|          |          |          |          |              |          | 6,464.00  | 70,458   | 18       |
|          |          |          |          |              |          |           |          | 19       |
|          |          |          |          |              |          |           |          | 20       |
|          |          |          |          |              |          |           |          | 21       |
|          |          |          |          |              |          | 9,841.00  | 199,970  | 22       |
|          |          |          |          |              |          |           |          | 23       |
|          |          |          |          |              |          |           |          | 24       |
|          |          |          |          |              |          |           |          | 25       |
|          |          |          |          |              |          |           |          | 26       |
|          |          |          |          |              |          |           |          | 27       |
|          |          |          |          |              |          | 9,841.00  | 199,970  | 28       |
| 7,370.00 |          | 7,370.00 |          | 7,370.00     |          | 31,141.00 | 79,095   | 29       |
|          |          |          |          |              |          |           |          | 30       |
|          |          |          |          |              |          |           |          | 31       |
|          |          |          |          |              |          |           |          | 32       |
|          |          |          |          |              |          |           |          | 33       |
|          |          |          |          |              |          |           |          | 34       |
|          |          |          |          |              |          |           |          | 35       |
|          |          |          |          |              |          |           |          | 36       |
|          |          |          |          |              |          |           |          | 37       |
|          |          |          |          |              |          |           |          | 38       |
|          |          |          |          |              |          |           |          | 39       |
|          |          |          |          |              |          |           |          | 40       |
|          |          |          |          |              |          |           |          | 41       |
|          |          |          |          |              |          |           |          | 42       |
|          |          |          |          |              |          |           |          | 43       |
|          |          |          |          |              |          |           |          | 44       |
|          |          |          |          |              |          |           |          | 45       |
|          |          |          |          |              |          |           |          | 46       |

|  |   |  |   |
|--|---|--|---|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of 2012/Q4 |
|--|---|--|---|

**OTHER REGULATORY ASSETS (Account 182.3)**

- Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable.
- Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than \$100,000 which ever is less), may be grouped by classes.
- For Regulatory Assets being amortized, show period of amortization.

| Line No.  | Description and Purpose of Other Regulatory Assets<br><br>(a) | Balance at Beginning of Current Quarter/Year<br>(b) | Debits<br>(c) | CREDITS  |  | Balance at end of Current Quarter/Year<br>(f) |
|-----------|---|---|---------------|--|--|---|
|           |   |   |               | Written off During the Quarter /Year Account Charged (d) | Written off During the Period Amount (e) |   |
| 1         | Other Regulatory Assets                                       |   |               |  |  |   |
| 2         |   |   |               |  |  |   |
| 3         | Unrecognized Pension Expense                                  |   |               |  |  |   |
| 4         | per SFAS 87   | 28,720,456  |               | 228-30   | 11,190,480                               | 17,529,976                                    |
| 5         |   |   |               |  |  |   |
| 6         | Unrecognized Postemployment Benefit Exp.                      |   |               |  |  |   |
| 7         | per SFAS 112  | 1,109,542   | 22,705        |  |  | 1,132,247                                     |
| 8         |   |   |               |  |  |   |
| 9         | Federal income tax resulting from the                         |   |               |  |  |   |
| 10        | difference between book and tax                               |   |               |  |  |   |
| 11        | depreciation created by antitrust                             |   |               |  |  |   |
| 12        | settlement refunds for the years 1965                         |   |               |  |  |   |
| 13        | through 1969  | 556,459   |               |  |  | 556,459                                       |
| 14        |   |   |               |  |  |   |
| 15        | Billable FIT  | 2,855,685   | 12,095,053    |  |  | 14,950,738                                    |
| 16        |   |   |               |  |  |   |
| 17        | Railcar lease termination                                     |   | 3,247,493     |  | 249,807                                  | 2,997,686                                     |
| 18        |   |   |               |  |  |   |
| 19        | UP Damages  |   | 2,227,781     |  |  | 2,227,781                                     |
| 20        |   |   |               |  |  |   |
| 21        |   |   |               |  |  |   |
| 22        |   |   |               |  |  |   |
| 23        |   |   |               |  |  |   |
| 24        |   |   |               |  |  |   |
| 25        |   |   |               |  |  |   |
| 26        |   |   |               |  |  |   |
| 27        |   |   |               |  |  |   |
| 28        |   |   |               |  |  |   |
| 29        |   |   |               |  |  |   |
| 30        |   |   |               |  |  |   |
| 31        |   |   |               |  |  |   |
| 32        |   |   |               |  |  |   |
| 33        |   |   |               |  |  |   |
| 34        |   |   |               |  |  |   |
| 35        |   |   |               |  |  |   |
| 36        |   |   |               |  |  |   |
| 37        |   |   |               |  |  |   |
| 38        |   |   |               |  |  |   |
| 39        |   |   |               |  |  |   |
| 40        |   |   |               |  |  |   |
| 41        |   |   |               |  |  |   |
| 42        |   |   |               |  |  |   |
| 43        |   |   |               |  |  |   |
| <b>44</b> | <b>TOTAL :</b>  | 33,242,142  | 17,593,032    |  | 11,440,287                               | 39,394,887                                    |

|  |   |  |   |
|--|---|--|---|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of 2012/Q4 |
|--|---|--|---|

**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 item (1% of the Balance at End of Year for Account 186 or amounts less than \$100,000, whichever is less) may be grouped by classes.

| Line No. | Description of Miscellaneous Deferred Debits<br>(a)      | Balance at Beginning of Year<br>(b) | Debits<br>(c) | CREDITS                |               | Balance at End of Year<br>(f) |
|----------|--|-------------------------------------|---------------|------------------------|---------------|-------------------------------|
|          |  |                                     |               | Account Charged<br>(d) | Amount<br>(e) |                               |
| 1        | Deferred Debit - Other                                   | 105,762                             | 2,233,666     | 232.10                 | 2,282,095     | 57,333                        |
| 2        |  |                                     |               |                        |               |                               |
| 3        | Required billing of maintenance                          |                                     |               |                        |               |                               |
| 4        | due to incompletion of work by                           |                                     |               |                        |               |                               |
| 5        | contractor   | -1,769                              | 182,203       | 263                    | 134,660       | 45,774                        |
| 6        |  |                                     |               |                        |               |                               |
| 7        | Asset Suite/Work Mtg System                              | 118,489                             |               | 110-923                | 118,489       |                               |
| 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       | Misc. Work in Progress                                   |                                     |               |                        |               |                               |
| 48       | Deferred Regulatory Comm. Expenses (See pages 350 - 351) |                                     |               |                        |               |                               |
| 49       | <b>TOTAL</b>   | 222,482                             |               |                        |               | 103,107                       |

|  |   |  |  |
|--|---|--|--|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of <u>2012/Q4</u> |
|--|---|--|--|

**ACCUMULATED DEFERRED INCOME TAXES (Account 190)**

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

| Line No. | Description and Location<br>(a)                | Balance of Beginning of Year<br>(b) | Balance at End of Year<br>(c) |
|----------|--|-------------------------------------|-------------------------------|
| 1        | Electric                                       |                                     |                               |
| 2        |  |                                     |                               |
| 3        |  |                                     |                               |
| 4        | Tax on deferred billings                       | 8,218,042                           | 15,008,843                    |
| 5        | Future FIT benefits, per SFAS 109              |                                     |                               |
| 6        |  |                                     |                               |
| 7        | Other  |                                     |                               |
| 8        | TOTAL Electric (Enter Total of lines 2 thru 7) | 8,218,042                           | 15,008,843                    |
| 9        | Gas  |                                     |                               |
| 10       |  |                                     |                               |
| 11       |  |                                     |                               |
| 12       |  |                                     |                               |
| 13       |  |                                     |                               |
| 14       |  |                                     |                               |
| 15       | Other  |                                     |                               |
| 16       | TOTAL Gas (Enter Total of lines 10 thru 15)    |                                     |                               |
| 17       | Other (Specify)                                |                                     |                               |
| 18       | TOTAL (Acct 190) (Total of lines 8, 16 and 17) | 8,218,042                           | 15,008,843                    |

Notes

|  |   |  |  |
|--|---|--|--|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of <u>2012/Q4</u> |
|--|---|--|--|

**CAPITAL STOCKS (Account 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 Series<br><br>(a) | Number of shares Authorized by Charter<br><br>(b) | Par or Stated Value per share<br><br>(c) | Call Price at End of Year<br><br>(d) |
|----------|---|---|--|--------------------------------------|
| 1        | Common  | 300,000   | 100.00                                   |                                      |
| 2        |   |   |  |                                      |
| 3        | Preferred-None authorized, issued or outstanding              |   |  |                                      |
| 4        |   |   |  |                                      |
| 5        |   |   |  |                                      |
| 6        |   |   |  |                                      |
| 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       |   |   |  |                                      |

|  |   |  |  |
|--|---|--|--|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of <u>2012/Q4</u> |
|--|---|--|--|

**CAPITAL STOCKS (Account 201 and 204) (Continued)**

3. Give particulars (details) concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued.

4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or non-cumulative.

5. State in a footnote if any capital stock which has been nominally issued is nominally outstanding at end of year.

Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purposes of pledge.

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

|  |   |  |  |
|--|---|--|--|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of <u>2012/Q4</u> |
|--|---|--|--|

**LONG-TERM DEBT (Account 221, 222, 223 and 224)**

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

| Line No. | Class and Series of Obligation, Coupon Rate<br>(For new issue, give commission Authorization numbers and dates)<br>(a) | Principal Amount<br>Of Debt issued<br>(b) | Total expense,<br>Premium or Discount<br>(c) |
|----------|--|---|--|
| 1        | 221.Bonds  |   |  |
| 2        |  |   |  |
| 3        | 2009 Tax Exmpt Poll Cntrl Bonds Series A,B,C&D   | 100,000,000                               | 5,331,706                                    |
| 4        |  |   |  |
| 5        | 2009 Tax Exmpt Poll. Cntrl. Bonds Series E   | 100,000,000                               |  |
| 6        |  |   |  |
| 7        | 2010 Tax Exmpt Bonds   | 100,000,000                               | 171,692                                      |
| 8        |  |   |  |
| 9        | 2012 Tax Exmpt Bonds Series A, B, & C  | 300,000,000                               | 2,657,762                                    |
| 10       |  |   |  |
| 11       | 222.Required Bonds   |   |  |
| 12       |  |   |  |
| 13       | 223.Advances from Associated Companies   |   |  |
| 14       |  |   |  |
| 15       | 224.Other Long-Term Debt:  |   |  |
| 16       |  |   |  |
| 17       | Unsecured Senior Notes 2006  | 445,000,000                               | 4,249,047                                    |
| 18       |  |   |  |
| 19       | Unsecured Senior Notes 2007  | 300,000,000                               | 2,443,584                                    |
| 20       |  |   |  |
| 21       | Unsecured Senior Notes 2008  | 350,000,000                               | 2,662,680                                    |
| 22       |  |   |  |
| 23       | Unsecured Senior Notes 2009  | 100,000,000                               |  |
| 24       |  |   |  |
| 25       | Line of Credit Borrowings-Long Term  | 105,000,000                               | 1,502,458                                    |
| 26       |  |   |  |
| 27       |  |   |  |
| 28       |  |   |  |
| 29       |  |   |  |
| 30       |  |   |  |
| 31       |  |   |  |
| 32       |  |   |  |
| 33       | TOTAL  | 1,900,000,000                             | 19,018,929                                   |

|  |   |  |   |
|--|---|--|---|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of 2012/Q4 |
|--|---|--|---|

LONG-TERM DEBT (Account 221, 222, 223 and 224) (Continued)

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

| Nominal Date of Issue (d) | Date of Maturity (e) | AMORTIZATION PERIOD |             | Outstanding (Total amount outstanding without reduction for amounts held by respondent) (h) | Interest for Year Amount (i) | Line No. |
|---------------------------|----------------------|---------------------|-------------|---|------------------------------|----------|
|                           |                      | Date From (f)       | Date To (g) |   |                              |          |
|                           |                      |                     |             |   |                              | 1        |
|                           |                      |                     |             |   |                              | 2        |
| 8/5/09                    | 2/1/26               | NA                  | NA          | 100,000,000   | 145,903                      | 3        |
|                           |                      |                     |             |   |                              | 4        |
| 10/6/09                   | 10/1/19              | NA                  | NA          | 100,000,000   | 5,625,000                    | 5        |
|                           |                      |                     |             |   |                              | 6        |
| 12/16/10                  | 2/1/40               | NA                  | NA          | 100,000,000   | 1,496,910                    | 7        |
|                           |                      |                     |             |   |                              | 8        |
| 6/1/27                    | 6/1/39               | NA                  | NA          | 300,000,000   | 5,551,855                    | 9        |
|                           |                      |                     |             |   |                              | 10       |
|                           |                      |                     |             |   |                              | 11       |
|                           |                      |                     |             |   |                              | 12       |
|                           |                      |                     |             |   |                              | 13       |
|                           |                      |                     |             |   |                              | 14       |
|                           |                      |                     |             |   |                              | 15       |
|                           |                      |                     |             |   |                              | 16       |
| 2/6/06                    | 2/15/26              | 2/6/06              | 2/15/26     | 353,347,555   | 21,150,433                   | 17       |
|                           |                      |                     |             |   |                              | 18       |
| 6/15/07                   | 2/15/26              | 6/15/07             | 2/15/26     | 245,554,106   | 15,177,606                   | 19       |
|                           |                      |                     |             |   |                              | 20       |
| 3/14/08                   | 2/15/26              | 3/14/08             | 2/15/26     | 298,180,641   | 20,553,871                   | 21       |
|                           |                      |                     |             |   |                              | 22       |
| 2/13/09                   | 2/5/23               | NA                  | NA          | 100,000,000   | 2,026,878                    | 23       |
|                           |                      |                     |             |   |                              | 24       |
| 6/18/10                   | 6/18/13              | NA                  | NA          | 60,000,000  | 3,139,158                    | 25       |
|                           |                      |                     |             |   |                              | 26       |
|                           |                      |                     |             |   |                              | 27       |
|                           |                      |                     |             |   |                              | 28       |
|                           |                      |                     |             |   |                              | 29       |
|                           |                      |                     |             |   |                              | 30       |
|                           |                      |                     |             |   |                              | 31       |
|                           |                      |                     |             |   |                              | 32       |
|                           |                      |                     |             | 1,657,082,302   | 74,867,614                   | 33       |

|  |   |  |                                  |
|--|---|--|----------------------------------|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>2012/Q4 |
| FOOTNOTE DATA  |   |  |                                  |

**Schedule Page: 256 Line No.: 5 Column: c**  
Debt expense associated with the 2009E bonds are included in the expense for 2009 A,B,C, & D.

**Schedule Page: 256 Line No.: 9 Column: a**  
Authorization Ohio PUCO 11-5763-EL-AIS, December 14, 2011.

**Schedule Page: 256 Line No.: 23 Column: c**  
Debt expense associated with the 2009 unsecured senior notes is included in the 2008 expense.

|  |   |  |   |
|--|---|--|---|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of 2012/Q4 |
|--|---|--|---|

**RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES**

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

| Line No. | Particulars (Details)<br>(a)                         | Amount<br>(b) |
|----------|--|---------------|
| 1        | Net Income for the Year (Page 117)                   | 2,256,690     |
| 2        |  |               |
| 3        |  |               |
| 4        | Taxable Income Not Reported on Books                 |               |
| 5        |  |               |
| 6        |  |               |
| 7        |  |               |
| 8        |  |               |
| 9        | Deductions Recorded on Books Not Deducted for Return |               |
| 10       |  | 117,063,074   |
| 11       |  |               |
| 12       |  |               |
| 13       |  |               |
| 14       | Income Recorded on Books Not Included in Return      |               |
| 15       |  |               |
| 16       |  |               |
| 17       |  |               |
| 18       |  |               |
| 19       | Deductions on Return Not Charged Against Book Income |               |
| 20       |  | -146,119,164  |
| 21       |  |               |
| 22       |  |               |
| 23       |  |               |
| 24       |  |               |
| 25       |  |               |
| 26       |  |               |
| 27       | Federal Tax Net Income                               | -26,799,400   |
| 28       | Show Computation of Tax:                             |               |
| 29       |  |               |
| 30       | Federal Tax Rate                                     | 35            |
| 31       |  |               |
| 32       | Federal Income Tax                                   | -9,379,790    |
| 33       | Deferred Tax   | 10,272,479    |
| 34       |  |               |
| 35       | 2012 Federal Income Tax per books                    | 892,689       |
| 36       |  |               |
| 37       |  |               |
| 38       |  |               |
| 39       |  |               |
| 40       |  |               |
| 41       |  |               |
| 42       |  |               |
| 43       |  |               |
| 44       |  |               |

|  |   |  |   |
|--|---|--|---|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of 2012/Q4 |
|--|---|--|---|

**TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR**

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

| Line No. | Kind of Tax<br>(See instruction 5)<br>(a) | BALANCE AT BEGINNING OF YEAR       |   | Taxes Charged During Year<br>(d) | Taxes Paid During Year<br>(e) | Adjustments<br>(f) |
|----------|---|------------------------------------|---|----------------------------------|-------------------------------|--------------------|
|          |   | Taxes Accrued (Account 236)<br>(b) | Prepaid Taxes (Include in Account 165)<br>(c) |                                  |                               |                    |
| 1        | FEDERAL:                                  |                                    |   |                                  |                               |                    |
| 2        | FICA                                      | 264,296                            |   | 2,658,395                        | 2,636,111                     |                    |
| 3        | Unemployment                              | 23,524                             |   | 41,259                           | 30,123                        |                    |
| 4        | Income Tax                                |                                    |   | 12,500,735                       | 12,500,735                    |                    |
| 5        | Excise Tax                                |                                    |   |                                  |                               |                    |
| 6        | Heavy Highway Vehicle                     |                                    |   | 1,100                            | 1,100                         |                    |
| 7        | SUBTOTAL                                  | 287,820                            |   | 15,201,489                       | 15,168,069                    |                    |
| 8        |   |                                    |   |                                  |                               |                    |
| 9        | OHIO:                                     |                                    |   |                                  |                               |                    |
| 10       | Unemployment                              | 20,073                             |   | 30,632                           | 38,913                        |                    |
| 11       | SUBTOTAL                                  | 20,073                             |   | 30,632                           | 38,913                        |                    |
| 12       |   |                                    |   |                                  |                               |                    |
| 13       | Commercial Activity Tax                   |                                    |   |                                  |                               |                    |
| 14       | 2011                                      | 245,302                            |   | -10,671                          | 234,631                       |                    |
| 15       | 2012                                      |                                    |   | 950,000                          | 709,841                       |                    |
| 16       | SUBTOTAL                                  | 245,302                            |   | 939,329                          | 944,472                       |                    |
| 17       |   |                                    |   |                                  |                               |                    |
| 18       | Property Tax                              |                                    |   |                                  |                               |                    |
| 19       | 2011                                      | 2,521,950                          |   | -5,891                           | 2,516,059                     |                    |
| 20       | 2012                                      | 2,521,920                          |   | -18,480                          |                               |                    |
| 21       | 2013                                      |                                    |   | 2,503,440                        |                               |                    |
| 22       | SUBTOTAL                                  | 5,043,870                          |   | 2,479,069                        | 2,516,059                     |                    |
| 23       |   |                                    |   |                                  |                               |                    |
| 24       | KENTUCKY:                                 |                                    |   |                                  |                               |                    |
| 25       | Property Tax                              |                                    |   |                                  |                               |                    |
| 26       | 2011                                      | 51,533                             |   | 7,482                            | 59,015                        |                    |
| 27       | 2012                                      |                                    |   | 51,533                           |                               |                    |
| 28       | SUBTOTAL                                  | 51,533                             |   | 59,015                           | 59,015                        |                    |
| 29       |   |                                    |   |                                  |                               |                    |
| 30       |   |                                    |   |                                  |                               |                    |
| 31       |   |                                    |   |                                  |                               |                    |
| 32       |   |                                    |   |                                  |                               |                    |
| 33       |   |                                    |   |                                  |                               |                    |
| 34       |   |                                    |   |                                  |                               |                    |
| 35       |   |                                    |   |                                  |                               |                    |
| 36       |   |                                    |   |                                  |                               |                    |
| 37       |   |                                    |   |                                  |                               |                    |
| 38       |   |                                    |   |                                  |                               |                    |
| 39       |   |                                    |   |                                  |                               |                    |
| 40       |   |                                    |   |                                  |                               |                    |
| 41       | TOTAL                                     | 5,648,598                          |   | 18,709,534                       | 18,726,528                    |                    |

|  |   |  |   |
|--|---|--|---|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of 2012/Q4 |
|--|---|--|---|

**TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)**

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

| BALANCE AT END OF YEAR          |  | DISTRIBUTION OF TAXES CHARGED       |   |  |            | Line No. |
|---------------------------------|--|-------------------------------------|---|--|------------|----------|
| (Taxes accrued Account 236) (g) | Prepaid Taxes (Incl. in Account 165) (h) | Electric (Account 408.1, 409.1) (i) | Extraordinary Items (Account 409.3) (j) | Adjustments to Ret. Earnings (Account 439) (k) | Other (l)  |          |
|                                 |  |                                     |   |  |            | 1        |
| 286,580                         |  | 2,632,466                           |   |  | 25,929     | 2        |
| 34,660                          |  | 38,991                              |   |  | 2,268      | 3        |
|                                 |  | 7,781,210                           |   |  | 4,719,525  | 4        |
|                                 |  |                                     |   |  |            | 5        |
|                                 |  |                                     |   |  | 1,100      | 6        |
| 321,240                         |  | 10,452,667                          |   |  | 4,748,822  | 7        |
|                                 |  |                                     |   |  |            | 8        |
|                                 |  |                                     |   |  |            | 9        |
| 11,792                          |  | 31,122                              |   |  | -490       | 10       |
| 11,792                          |  | 31,122                              |   |  | -490       | 11       |
|                                 |  |                                     |   |  |            | 12       |
|                                 |  |                                     |   |  |            | 13       |
|                                 |  | -10,671                             |   |  |            | 14       |
| 240,159                         |  | 950,000                             |   |  |            | 15       |
| 240,159                         |  | 939,329                             |   |  |            | 16       |
|                                 |  |                                     |   |  |            | 17       |
|                                 |  |                                     |   |  |            | 18       |
|                                 |  | -5,871                              |   |  |            | 19       |
| 2,503,440                       |  | 2,503,440                           |   |  | -2,521,920 | 20       |
| 2,503,440                       |  |                                     |   |  | 2,503,440  | 21       |
| 5,006,880                       |  | 2,497,569                           |   |  | -18,480    | 22       |
|                                 |  |                                     |   |  |            | 23       |
|                                 |  |                                     |   |  |            | 24       |
|                                 |  |                                     |   |  |            | 25       |
|                                 |  | 7,482                               |   |  |            | 26       |
| 51,533                          |  | 51,533                              |   |  |            | 27       |
| 51,533                          |  | 59,015                              |   |  |            | 28       |
|                                 |  |                                     |   |  |            | 29       |
|                                 |  |                                     |   |  |            | 30       |
|                                 |  |                                     |   |  |            | 31       |
|                                 |  |                                     |   |  |            | 32       |
|                                 |  |                                     |   |  |            | 33       |
|                                 |  |                                     |   |  |            | 34       |
|                                 |  |                                     |   |  |            | 35       |
|                                 |  |                                     |   |  |            | 36       |
|                                 |  |                                     |   |  |            | 37       |
|                                 |  |                                     |   |  |            | 38       |
|                                 |  |                                     |   |  |            | 39       |
|                                 |  |                                     |   |  |            | 40       |
| 5,631,604                       |  | 13,979,702                          |   |  | 4,729,852  | 41       |

|                                  |   |  |                                  |
|----------------------------------|---|--|----------------------------------|
| Name of Respondent               | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>2012/Q4 |
| Ohio Valley Electric Corporation |   |  |                                  |
| FOOTNOTE DATA                    |   |  |                                  |

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

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

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

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

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

Charged to Accounts 190, 254, 410, 182, and 143.

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

Charged to Account 401.

**Schedule Page: 262 Line No.: 20 Column: 1**

Charged to Account 174.

**Schedule Page: 262 Line No.: 21 Column: 1**

Charged to Account 174.

|  |   |  |  |
|--|---|--|--|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of <u>2012/Q4</u> |
|--|---|--|--|

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

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

| Line No. | Account Subdivisions (a)                                   | Balance at Beginning of Year (b) | Deferred for Year |            | Allocations to Current Year's Income |            | Adjustments (g) |
|----------|--|----------------------------------|-------------------|------------|--------------------------------------|------------|-----------------|
|          |  |                                  | Account No. (c)   | Amount (d) | Account No. (e)                      | Amount (f) |                 |
| 1        | Electric Utility   |                                  |                   |            |                                      |            |                 |
| 2        | 3%   |                                  |                   |            |                                      |            |                 |
| 3        | 4%   |                                  |                   |            |                                      |            |                 |
| 4        | 7%   |                                  |                   |            |                                      |            |                 |
| 5        | 10%  | 3,393,146                        |                   |            |                                      |            |                 |
| 6        |  |                                  |                   |            |                                      |            |                 |
| 7        |  |                                  |                   |            |                                      |            |                 |
| 8        | TOTAL  | 3,393,146                        |                   |            |                                      |            |                 |
| 9        | Other (List separately and show 3%, 4%, 7%, 10% and TOTAL) |                                  |                   |            |                                      |            |                 |
| 10       |  |                                  |                   |            |                                      |            |                 |
| 11       |  |                                  |                   |            |                                      |            |                 |
| 12       |  |                                  |                   |            |                                      |            |                 |
| 13       |  |                                  |                   |            |                                      |            |                 |
| 14       |  |                                  |                   |            |                                      |            |                 |
| 15       |  |                                  |                   |            |                                      |            |                 |
| 16       |  |                                  |                   |            |                                      |            |                 |
| 17       |  |                                  |                   |            |                                      |            |                 |
| 18       |  |                                  |                   |            |                                      |            |                 |
| 19       |  |                                  |                   |            |                                      |            |                 |
| 20       |  |                                  |                   |            |                                      |            |                 |
| 21       |  |                                  |                   |            |                                      |            |                 |
| 22       |  |                                  |                   |            |                                      |            |                 |
| 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       |  |                                  |                   |            |                                      |            |                 |

|  |   |  |  |
|--|---|--|--|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of <u>2012/Q4</u> |
|--|---|--|--|

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

| Balance at End of Year<br>(h) | Average Period of Allocation to Income<br>(i) | ADJUSTMENT EXPLANATION | Line No. |
|-------------------------------|---|------------------------|----------|
|                               |   |                        | 1        |
|                               |   |                        | 2        |
|                               |   |                        | 3        |
|                               |   |                        | 4        |
| 3,393,146                     |   |                        | 5        |
|                               |   |                        | 6        |
|                               |   |                        | 7        |
| 3,393,146                     |   |                        | 8        |
|                               |   |                        | 9        |
|                               |   |                        | 10       |
|                               |   |                        | 11       |
|                               |   |                        | 12       |
|                               |   |                        | 13       |
|                               |   |                        | 14       |
|                               |   |                        | 15       |
|                               |   |                        | 16       |
|                               |   |                        | 17       |
|                               |   |                        | 18       |
|                               |   |                        | 19       |
|                               |   |                        | 20       |
|                               |   |                        | 21       |
|                               |   |                        | 22       |
|                               |   |                        | 23       |
|                               |   |                        | 24       |
|                               |   |                        | 25       |
|                               |   |                        | 26       |
|                               |   |                        | 27       |
|                               |   |                        | 28       |
|                               |   |                        | 30       |
|                               |   |                        | 31       |
|                               |   |                        | 32       |
|                               |   |                        | 33       |
|                               |   |                        | 34       |
|                               |   |                        | 35       |
|                               |   |                        | 36       |
|                               |   |                        | 37       |
|                               |   |                        | 38       |
|                               |   |                        | 39       |
|                               |   |                        | 40       |
|                               |   |                        | 41       |
|                               |   |                        | 42       |
|                               |   |                        | 43       |
|                               |   |                        | 44       |
|                               |   |                        | 45       |
|                               |   |                        | 46       |
|                               |   |                        | 47       |
|                               |   |                        | 48       |

|  |   |  |  |
|--|---|--|--|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of <u>2012/Q4</u> |
|--|---|--|--|

**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 \$100,000, whichever is greater) may be grouped by classes.

| Line No. | Description and Other Deferred Credits<br>(a) | Balance at Beginning of Year<br>(b) | DEBITS                |               | Credits<br>(e) | Balance at End of Year<br>(f) |
|----------|---|-------------------------------------|-----------------------|---------------|----------------|-------------------------------|
|          |   |                                     | Contra Account<br>(c) | Amount<br>(d) |                |                               |
| 1        | Income Tax Liability                          |                                     |                       |               | 28,029,955     | 28,029,955                    |
| 2        |   |                                     |                       |               |                |                               |
| 3        |   |                                     |                       |               |                |                               |
| 4        |   |                                     |                       |               |                |                               |
| 5        |   |                                     |                       |               |                |                               |
| 6        |   |                                     |                       |               |                |                               |
| 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       | TOTAL   |                                     |                       |               | 28,029,955     | 28,029,955                    |

|  |   |  |  |
|--|---|--|--|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of <u>2012/Q4</u> |
|--|---|--|--|

**OTHER REGULATORY LIABILITIES (Account 254)**

1. Report below the particulars (details) called for concerning other regulatory liabilities, including rate order docket number, if applicable.
2. Minor items (5% of the Balance in Account 254 at end of period, or amounts less than \$100,000 which ever is less), may be grouped by classes.
3. For Regulatory Liabilities being amortized, show period of amortization.

| Line No. | Description and Purpose of Other Regulatory Liabilities<br><br>(a) | Balance at Beginning of Current Quarter/Year<br><br>(b) | DEBITS                      |                   | Credits<br><br>(e) | Balance at End of Current Quarter/Year<br><br>(f) |
|----------|--|---|-----------------------------|-------------------|--------------------|---|
|          |  |   | Account Credited<br><br>(c) | Amount<br><br>(d) |                    |   |
| 1        | Def. Cr. Other- Postretirement Interest                            | 19,662,858  |                             |                   |                    | 19,662,858  |
| 2        |  |   |                             |                   |                    |   |
| 3        | Def. Cr.- DOE Settlement Postretirement                            | 44,085,563  |                             | 8,041,684         | 12,030,596         | 48,074,475  |
| 4        |  |   |                             |                   |                    |   |
| 5        | Def. Cr.- Estimated FAS 106 Expense                                | 30,348,752  |                             |                   | 5,500,000          | 35,848,752  |
| 6        |  |   |                             |                   |                    |   |
| 7        | Antitrust Settlements Pending                                      |   |                             |                   |                    |   |
| 8        | Final Disposition  | 1,229,529   |                             |                   |                    | 1,229,529   |
| 9        |  |   |                             |                   |                    |   |
| 10       | Federal Income Tax Benefits  |   |                             |                   |                    |   |
| 11       | per SFAS 109   |   |                             |                   |                    |   |
| 12       |  |   |                             |                   |                    |   |
| 13       | Def. Cr.- SO2 Allowances   | 24,268  |                             |                   | 4,595              | 28,863  |
| 14       |  |   |                             |                   |                    |   |
| 15       | Def. Cr.-NOx Allowances  | 214,000   |                             |                   |                    | 214,000   |
| 16       |  |   |                             |                   |                    |   |
| 17       | Advance Collection of Interest                                     | 2,704,349   |                             | 9,681,315         | 9,288,873          | 2,311,907   |
| 18       |  |   |                             |                   |                    |   |
| 19       | Other Postretirement Benefits                                      | ( 81,314,797)   |                             | 23,757,985        | 16,284,475         | -88,788,307                                       |
| 20       |  |   |                             |                   |                    |   |
| 21       | Decommission and Demolition Interest                               | 5,413,889   |                             | 1,716,239         | 3,241,731          | 6,939,381   |
| 22       |  |   |                             |                   |                    |   |
| 23       | Def. Tax Liability   | 6,302,915   |                             | 6,302,915         |                    |   |
| 24       |  |   |                             |                   |                    |   |
| 25       |  |   |                             |                   |                    |   |
| 26       |  |   |                             |                   |                    |   |
| 27       |  |   |                             |                   |                    |   |
| 28       |  |   |                             |                   |                    |   |
| 29       |  |   |                             |                   |                    |   |
| 30       |  |   |                             |                   |                    |   |
| 31       |  |   |                             |                   |                    |   |
| 32       |  |   |                             |                   |                    |   |
| 33       |  |   |                             |                   |                    |   |
| 34       |  |   |                             |                   |                    |   |
| 35       |  |   |                             |                   |                    |   |
| 36       |  |   |                             |                   |                    |   |
| 37       |  |   |                             |                   |                    |   |
| 38       |  |   |                             |                   |                    |   |
| 39       |  |   |                             |                   |                    |   |
| 40       |  |   |                             |                   |                    |   |
| 41       | <b>TOTAL</b>   | 28,671,326  |                             | 49,500,138        | 46,350,270         | 25,521,458  |

|  |   |  |   |
|--|---|--|---|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of 2012/Q4 |
|--|---|--|---|

**ELECTRIC OPERATING REVENUES (Account 400)**

- The following instructions generally apply to the annual version of these pages. Do not report quarterly data in columns (c), (e), (f), and (g). Unbilled revenues and MWH related to unbilled revenues need not be reported separately as required in the annual version of these pages.
- Report below operating revenues for each prescribed account, and manufactured gas revenues in total.
- Report number of customers, columns (f) and (g), on the basis of meters, in addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The -average number of customers means the average of twelve figures at the close of each month.
- If increases or decreases from previous period (columns (c),(e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.
- Disclose amounts of \$250,000 or greater in a footnote for accounts 451, 456, and 457.2.

| Line No. | Title of Account<br>(a)                                     | Operating Revenues Year to Date Quarterly/Annual<br>(b) | Operating Revenues Previous year (no Quarterly)<br>(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)                              | 9,097,306   | 11,643,355   |
| 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                           | 9,097,306   | 11,643,355   |
| 11       | (447) Sales for Resale                                      | 661,721,951   | 705,294,774  |
| 12       | TOTAL Sales of Electricity                                  | 670,819,257   | 716,938,129  |
| 13       | (Less) (449.1) Provision for Rate Refunds                   |   |  |
| 14       | TOTAL Revenues Net of Prov. for Refunds                     | 670,819,257   | 716,938,129  |
| 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                           |   |  |
| 20       | (455) Interdepartmental Rents                               |   |  |
| 21       | (456) Other Electric Revenues                               |   |  |
| 22       | (456.1) Revenues from Transmission of Electricity of Others |   |  |
| 23       | (457.1) Regional Control Service Revenues                   |   |  |
| 24       | (457.2) Miscellaneous Revenues                              |   |  |
| 25       |   |   |  |
| 26       | TOTAL Other Operating Revenues                              |   |  |
| 27       | TOTAL Electric Operating Revenues                           | 670,819,257   | 716,938,129  |

|  |   |  |  |
|--|---|--|--|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of <u>2012/Q4</u> |
|--|---|--|--|

**ELECTRIC OPERATING REVENUES (Account 400)**

6. 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.)
7. See pages 108-109, Important Changes During Period, for important new territory added and important rate increase or decreases.
8. For Lines 2,4,5,and 6, see Page 304 for amounts relating to unbilled revenue by accounts.
9. Include unmetered sales. Provide details of such Sales in a footnote.

| MEGAWATT HOURS SOLD                  |  | AVG.NO. CUSTOMERS PER MONTH        |                                     | Line No. |
|--------------------------------------|--|------------------------------------|-------------------------------------|----------|
| Year to Date Quarterly/Annual<br>(d) | Amount Previous year (no Quarterly)<br>(e) | Current Year (no Quarterly)<br>(f) | Previous Year (no Quarterly)<br>(g) |          |
|                                      |  |                                    |                                     | 1        |
|                                      |  |                                    |                                     | 2        |
|                                      |  |                                    |                                     | 3        |
|                                      |  |                                    |                                     | 4        |
| 207,692                              | 253,157                                    | 1                                  | 1                                   | 5        |
|                                      |  |                                    |                                     | 6        |
|                                      |  |                                    |                                     | 7        |
|                                      |  |                                    |                                     | 8        |
|                                      |  |                                    |                                     | 9        |
| 207,692                              | 253,157                                    | 1                                  | 1                                   | 10       |
| 10,340,568                           | 14,199,025                                 | 14                                 | 14                                  | 11       |
| 10,548,260                           | 14,452,182                                 | 15                                 | 15                                  | 12       |
|                                      |  |                                    |                                     | 13       |
| 10,548,260                           | 14,452,182                                 | 15                                 | 15                                  | 14       |

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

|  |   |  |   |
|--|---|--|---|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of 2012/Q4 |
|--|---|--|---|

**SALES OF ELECTRICITY BY RATE SCHEDULES**

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

| Line No. | Number and Title of Rate schedule (a) | MWh Sold (b) | Revenue (c) | Average Number of Customers (d) | KWh of Sales Per Customer (e) | Revenue Per KWh Sold (f) |
|----------|---------------------------------------|--------------|-------------|---------------------------------|-------------------------------|--------------------------|
| 1        | Ohio Valley Electric Corporation      |              |             |                                 |                               |                          |
| 2        | Power Agreement (DOE)                 |              |             |                                 |                               |                          |
| 3        | Rate Schedule FPC No. 1-A             |              |             |                                 |                               |                          |
| 4        | Commercial and Industrial Sales       |              |             |                                 |                               |                          |
| 5        | (Account 442)                         | 207,692      | 9,097,306   | 1                               | 207,692,000                   | 0.0438                   |
| 6        |                                       |              |             |                                 |                               |                          |
| 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       | TOTAL Billed                          | 0            | 0           | 0                               | 0                             | 0.0000                   |
| 42       | Total Unbilled Rev.(See Instr. 6)     | 0            | 0           | 0                               | 0                             | 0.0000                   |
| 43       | TOTAL                                 | 0            | 0           | 0                               | 0                             | 0.0000                   |

|  |   |  |  |
|--|---|--|--|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of <u>2012/Q4</u> |
|--|---|--|--|

**SALES FOR RESALE (Account 447)**

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

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

3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows: RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers.

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

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

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

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

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

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

|  |   |  |   |
|--|---|--|---|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of 2012/Q4 |
|--|---|--|---|

**SALES FOR RESALE (Account 447)**

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

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

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

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

|  |   |  |   |
|--|---|--|---|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of 2012/Q4 |
|--|---|--|---|

SALES FOR RESALE (Account 447) (Continued)

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

| MegaWatt Hours Sold<br>(g) | REVENUE                 |                         |                        | Total (\$) (h+i+j) (k) | Line No. |
|----------------------------|-------------------------|-------------------------|------------------------|------------------------|----------|
|                            | Demand Charges (\$) (h) | Energy Charges (\$) (i) | Other Charges (\$) (j) |                        |          |
|                            |                         |                         |                        |                        | 1        |
| 1,537,023                  | 54,460,202              | 44,985,934              |                        | 99,446,136             | 2        |
| 1,973,171                  | 62,478,243              | 57,798,969              |                        | 120,277,212            | 3        |
| 750,581                    | 31,239,121              | 21,995,364              |                        | 53,234,485             | 4        |
| 434,951                    | 15,411,300              | 12,730,244              |                        | 28,141,544             | 5        |
| 622,491                    | 17,007,966              | 18,265,553              |                        | 35,273,519             | 6        |
| 498,486                    | 16,834,416              | 14,632,346              |                        | 31,466,762             | 7        |
| 768,978                    | 27,247,456              | 22,506,621              |                        | 49,754,077             | 8        |
| 304,231                    | 8,677,534               | 8,921,499               |                        | 17,599,033             | 9        |
| 685,135                    | 19,541,806              | 20,091,414              |                        | 39,633,220             | 10       |
| 376,183                    | 12,148,547              | 11,035,677              |                        | 23,184,224             | 11       |
| 1,517,436                  | 53,765,999              | 44,412,665              |                        | 98,178,664             | 12       |
| 692,479                    | 23,082,240              | 20,280,139              |                        | 43,362,379             | 13       |
| 179,423                    | 5,206,520               | 5,269,272               |                        | 10,475,792             | 14       |
|                            |                         |                         |                        |                        |          |
| 0                          | 0                       | 0                       | 0                      | 0                      |          |
| 10,340,568                 | 358,796,254             | 302,925,697             | 0                      | 661,721,951            |          |
| <b>10,340,568</b>          | <b>358,796,254</b>      | <b>302,925,697</b>      | <b>0</b>               | <b>661,721,951</b>     |          |

|  |   |  |   |
|--|---|--|---|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of 2012/Q4 |
|--|---|--|---|

**SALES FOR RESALE (Account 447) (Continued)**

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

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

4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)

5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.

6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP)

demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.

7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.

8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.

9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401, line 24.

10. Footnote entries as required and provide explanations following all required data.

| MegaWatt Hours Sold<br>(g) | REVENUE                 |                         |                        | Total (\$) (h+i+j)<br>(k) | Line No. |
|----------------------------|-------------------------|-------------------------|------------------------|---------------------------|----------|
|                            | Demand Charges (\$) (h) | Energy Charges (\$) (i) | Other Charges (\$) (j) |                           |          |
|                            | 11,694,904              |                         |                        | 11,694,904                | 1        |
|                            |                         |                         |                        |                           | 2        |
|                            |                         |                         |                        |                           | 3        |
|                            |                         |                         |                        |                           | 4        |
|                            |                         |                         |                        |                           | 5        |
|                            |                         |                         |                        |                           | 6        |
|                            |                         |                         |                        |                           | 7        |
|                            |                         |                         |                        |                           | 8        |
|                            |                         |                         |                        |                           | 9        |
|                            |                         |                         |                        |                           | 10       |
|                            |                         |                         |                        |                           | 11       |
|                            |                         |                         |                        |                           | 12       |
|                            |                         |                         |                        |                           | 13       |
|                            |                         |                         |                        |                           | 14       |
| 0                          | 0                       | 0                       | 0                      | 0                         |          |
| 10,340,568                 | 358,796,254             | 302,925,697             | 0                      | 661,721,951               |          |
| <b>10,340,568</b>          | <b>358,796,254</b>      | <b>302,925,697</b>      | <b>0</b>               | <b>661,721,951</b>        |          |

|                                  |  |                                |                       |
|----------------------------------|--|--------------------------------|-----------------------|
| Name of Respondent               | This Report is:  | Date of Report<br>(Mo, Da, Yr) | Year/Period of Report |
| Ohio Valley Electric Corporation | (1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | 12/31/2012                     | 2012/Q4               |
| FOOTNOTE DATA                    |  |                                |                       |

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

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

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

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

|  |   |  |   |
|--|---|--|---|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of 2012/Q4 |
|--|---|--|---|

**ELECTRIC OPERATION AND MAINTENANCE EXPENSES**

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

| Line No. | Account<br>(a)  | Amount for Current Year<br>(b) | Amount for Previous Year<br>(c) |
|----------|---|--------------------------------|---------------------------------|
| 1        | <b>1. POWER PRODUCTION EXPENSES</b>   |                                |                                 |
| 2        | <b>A. Steam Power Generation</b>  |                                |                                 |
| 3        | Operation   |                                |                                 |
| 4        | (500) Operation Supervision and Engineering                                       | 2,364,908                      | 1,822,397                       |
| 5        | (501) Fuel  | 106,818,557                    | 162,054,081                     |
| 6        | (502) Steam Expenses  | 7,597,591                      | 6,293,691                       |
| 7        | (503) Steam from Other Sources  |                                |                                 |
| 8        | (Less) (504) Steam Transferred-Cr.  |                                |                                 |
| 9        | (505) Electric Expenses   | 3,651,308                      | 3,339,260                       |
| 10       | (506) Miscellaneous Steam Power Expenses  | 20,267,291                     | 11,656,084                      |
| 11       | (507) Rents   | 41,320                         | 28,800                          |
| 12       | (509) Allowances  | 72,316                         | 802,214                         |
| 13       | <b>TOTAL Operation (Enter Total of Lines 4 thru 12)</b>                           | <b>140,813,291</b>             | <b>185,996,527</b>              |
| 14       | Maintenance   |                                |                                 |
| 15       | (510) Maintenance Supervision and Engineering                                     | 1,196,404                      | 1,087,123                       |
| 16       | (511) Maintenance of Structures   | 7,598,254                      | 8,133,578                       |
| 17       | (512) Maintenance of Boiler Plant   | 25,746,484                     | 21,452,404                      |
| 18       | (513) Maintenance of Electric Plant   | 7,474,832                      | 4,741,947                       |
| 19       | (514) Maintenance of Miscellaneous Steam Plant                                    | 2,650,967                      | 1,196,590                       |
| 20       | <b>TOTAL Maintenance (Enter Total of Lines 15 thru 19)</b>                        | <b>44,666,941</b>              | <b>36,611,642</b>               |
| 21       | <b>TOTAL Power Production Expenses-Steam Power (Entr Tot lines 13 &amp; 20)</b>   | <b>185,480,232</b>             | <b>222,608,169</b>              |
| 22       | <b>B. Nuclear Power Generation</b>  |                                |                                 |
| 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       | <b>TOTAL Operation (Enter Total of lines 24 thru 32)</b>                          |                                |                                 |
| 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       | <b>TOTAL Maintenance (Enter Total of lines 35 thru 39)</b>                        |                                |                                 |
| 41       | <b>TOTAL Power Production Expenses-Nuc. Power (Entr tot lines 33 &amp; 40)</b>    |                                |                                 |
| 42       | <b>C. Hydraulic Power Generation</b>  |                                |                                 |
| 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       | <b>TOTAL Operation (Enter Total of Lines 44 thru 49)</b>                          |                                |                                 |
| 51       | <b>C. Hydraulic Power Generation (Continued)</b>                                  |                                |                                 |
| 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       | <b>TOTAL Maintenance (Enter Total of lines 53 thru 57)</b>                        |                                |                                 |
| 59       | <b>TOTAL Power Production Expenses-Hydraulic Power (tot of lines 50 &amp; 58)</b> |                                |                                 |

|  |   |  |   |
|--|---|--|---|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of 2012/Q4 |
|--|---|--|---|

**ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)**

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

| Line No. | Account (a)  | Amount for Current Year (b) | Amount for Previous Year (c) |
|----------|--|-----------------------------|------------------------------|
| 60       | D. Other Power Generation  |                             |                              |
| 61       | Operation  |                             |                              |
| 62       | (546) Operation Supervision and Engineering                          |                             |                              |
| 63       | (547) Fuel   |                             |                              |
| 64       | (548) Generation Expenses  |                             |                              |
| 65       | (549) Miscellaneous Other Power Generation Expenses                  |                             |                              |
| 66       | (550) Rents  |                             |                              |
| 67       | TOTAL Operation (Enter Total of lines 62 thru 66)                    |                             |                              |
| 68       | Maintenance  |                             |                              |
| 69       | (551) Maintenance Supervision and Engineering                        |                             |                              |
| 70       | (552) Maintenance of Structures                                      |                             |                              |
| 71       | (553) Maintenance of Generating and Electric Plant                   |                             |                              |
| 72       | (554) Maintenance of Miscellaneous Other Power Generation Plant      |                             |                              |
| 73       | TOTAL Maintenance (Enter Total of lines 69 thru 72)                  |                             |                              |
| 74       | TOTAL Power Production Expenses-Other Power (Enter Tot of 67 & 73)   |                             |                              |
| 75       | E. Other Power Supply Expenses                                       |                             |                              |
| 76       | (555) Purchased Power  | 302,203,985                 | 339,025,170                  |
| 77       | (556) System Control and Load Dispatching                            |                             |                              |
| 78       | (557) Other Expenses   |                             |                              |
| 79       | TOTAL Other Power Supply Exp (Enter Total of lines 76 thru 78)       | 302,203,985                 | 339,025,170                  |
| 80       | TOTAL Power Production Expenses (Total of lines 21, 41, 59, 74 & 79) | 487,684,217                 | 561,633,339                  |
| 81       | 2. TRANSMISSION EXPENSES   |                             |                              |
| 82       | Operation  |                             |                              |
| 83       | (560) Operation Supervision and Engineering                          | 385,006                     | 530,321                      |
| 84       |  |                             |                              |
| 85       | (561.1) Load Dispatch-Reliability                                    | 2,596,148                   | 1,833,964                    |
| 86       | (561.2) Load Dispatch-Monitor and Operate Transmission System        |                             |                              |
| 87       | (561.3) Load Dispatch-Transmission Service and Scheduling            |                             |                              |
| 88       | (561.4) Scheduling, System Control and Dispatch Services             |                             |                              |
| 89       | (561.5) Reliability, Planning and Standards Development              |                             |                              |
| 90       | (561.6) Transmission Service Studies                                 |                             |                              |
| 91       | (561.7) Generation Interconnection Studies                           |                             |                              |
| 92       | (561.8) Reliability, Planning and Standards Development Services     |                             |                              |
| 93       | (562) Station Expenses   | 1,279,249                   | 1,214,240                    |
| 94       | (563) Overhead Lines Expenses  | 442,254                     | 276,170                      |
| 95       | (564) Underground Lines Expenses                                     |                             |                              |
| 96       | (565) Transmission of Electricity by Others                          |                             |                              |
| 97       | (566) Miscellaneous Transmission Expenses                            | 183,392                     | 121,215                      |
| 98       | (567) Rents  | 18,297                      | 20,112                       |
| 99       | TOTAL Operation (Enter Total of lines 83 thru 98)                    | 4,904,346                   | 3,996,022                    |
| 100      | Maintenance  |                             |                              |
| 101      | (568) Maintenance Supervision and Engineering                        | 119,401                     | 116,834                      |
| 102      | (569) Maintenance of Structures                                      | 58,327                      | 63,543                       |
| 103      | (569.1) Maintenance of Computer Hardware                             |                             |                              |
| 104      | (569.2) Maintenance of Computer Software                             |                             |                              |
| 105      | (569.3) Maintenance of Communication Equipment                       |                             |                              |
| 106      | (569.4) Maintenance of Miscellaneous Regional Transmission Plant     |                             |                              |
| 107      | (570) Maintenance of Station Equipment                               | 799,149                     | 669,592                      |
| 108      | (571) Maintenance of Overhead Lines                                  | 157,931                     | 7,486                        |
| 109      | (572) Maintenance of Underground Lines                               |                             |                              |
| 110      | (573) Maintenance of Miscellaneous Transmission Plant                | 120,919                     | 82,956                       |
| 111      | TOTAL Maintenance (Total of lines 101 thru 110)                      | 1,255,727                   | 940,411                      |
| 112      | TOTAL Transmission Expenses (Total of lines 99 and 111)              | 6,160,073                   | 4,936,433                    |

|  |   |  |   |
|--|---|--|---|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of 2012/Q4 |
|--|---|--|---|

**ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)**

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

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

|  |   |  |   |
|--|---|--|---|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of 2012/Q4 |
|--|---|--|---|

**ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)**

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

| Line No. | Account<br>(a)   | Amount for Current Year<br>(b) | Amount for Previous Year<br>(c) |
|----------|--|--------------------------------|---------------------------------|
| 165      | <b>6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES</b>                |                                |                                 |
| 166      | Operation  |                                |                                 |
| 167      | (907) Supervision  |                                |                                 |
| 168      | (908) Customer Assistance Expenses                                   |                                |                                 |
| 169      | (909) Informational and Instructional Expenses                       |                                |                                 |
| 170      | (910) Miscellaneous Customer Service and Informational Expenses      |                                |                                 |
| 171      | TOTAL Customer Service and Information Expenses (Total 167 thru 170) |                                |                                 |
| 172      | <b>7. SALES EXPENSES</b>   |                                |                                 |
| 173      | Operation  |                                |                                 |
| 174      | (911) Supervision  |                                |                                 |
| 175      | (912) Demonstrating and Selling Expenses                             |                                |                                 |
| 176      | (913) Advertising Expenses   |                                |                                 |
| 177      | (916) Miscellaneous Sales Expenses                                   |                                |                                 |
| 178      | TOTAL Sales Expenses (Enter Total of lines 174 thru 177)             |                                |                                 |
| 179      | <b>8. ADMINISTRATIVE AND GENERAL EXPENSES</b>                        |                                |                                 |
| 180      | Operation  |                                |                                 |
| 181      | (920) Administrative and General Salaries                            | 5,675,483                      | 5,128,278                       |
| 182      | (921) Office Supplies and Expenses                                   | 1,430,393                      | 1,102,645                       |
| 183      | (Less) (922) Administrative Expenses Transferred-Credit              | 83,486                         | 50,273                          |
| 184      | (923) Outside Services Employed                                      | 6,406,216                      | 3,734,614                       |
| 185      | (924) Property Insurance   | 979,036                        | 905,041                         |
| 186      | (925) Injuries and Damages   | 1,762,338                      | 594,863                         |
| 187      | (926) Employee Pensions and Benefits                                 | 18,376,463                     | 23,828,754                      |
| 188      | (927) Franchise Requirements   |                                |                                 |
| 189      | (928) Regulatory Commission Expenses                                 | 948,248                        | 940,060                         |
| 190      | (929) (Less) Duplicate Charges-Cr.                                   |                                |                                 |
| 191      | (930.1) General Advertising Expenses                                 |                                |                                 |
| 192      | (930.2) Miscellaneous General Expenses                               | 2,613,525                      | 4,328,479                       |
| 193      | (931) Rents  | 76,575                         | 59,195                          |
| 194      | TOTAL Operation (Enter Total of lines 181 thru 193)                  | 38,184,791                     | 40,571,656                      |
| 195      | Maintenance  |                                |                                 |
| 196      | (935) Maintenance of General Plant                                   | 78,923                         | 611,133                         |
| 197      | TOTAL Administrative & General Expenses (Total of lines 194 and 196) | 38,263,714                     | 41,182,789                      |
| 198      | TOTAL Elec Op and Maint Expns (Total 80,112,131,156,164,171,178,197) | 532,108,004                    | 607,752,561                     |

|  |   |  |   |
|--|---|--|---|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of 2012/Q4 |
|--|---|--|---|

**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 projects load for this service in its system resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate consumers.

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

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

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

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

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

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

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

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

|  |   |  |   |
|--|---|--|---|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of 2012/Q4 |
|--|---|--|---|

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

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

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

| MegaWatt Hours Purchased (g) | POWER EXCHANGES             |                              | COST/SETTLEMENT OF POWER |                        |                       |                                     | Line No. |
|------------------------------|-----------------------------|------------------------------|--------------------------|------------------------|-----------------------|-------------------------------------|----------|
|                              | MegaWatt Hours Received (h) | MegaWatt Hours Delivered (i) | Demand Charges (\$)(j)   | Energy Charges (\$)(k) | Other Charges (\$)(l) | Total (j+k+l) of Settlement (\$)(m) |          |
|                              |                             |                              |                          |                        |                       |                                     | 1        |
| 5,913,472                    |                             |                              |                          |                        | 293,651,420           | 293,651,420                         | 2        |
|                              |                             |                              |                          |                        |                       |                                     | 3        |
| 45,803                       |                             |                              |                          |                        | 1,741,055             | 1,741,055                           | 4        |
|                              |                             |                              |                          |                        |                       |                                     | 5        |
| 117,235                      |                             |                              |                          |                        | 3,790,336             | 3,790,336                           | 6        |
|                              |                             |                              |                          |                        |                       |                                     | 7        |
| 82,955                       |                             |                              |                          |                        | 3,021,174             | 3,021,174                           | 8        |
|                              |                             |                              |                          |                        |                       |                                     | 9        |
|                              |                             |                              |                          |                        |                       |                                     | 10       |
|                              |                             |                              |                          |                        |                       |                                     | 11       |
|                              |                             |                              |                          |                        |                       |                                     | 12       |
|                              |                             |                              |                          |                        |                       |                                     | 13       |
|                              |                             |                              |                          |                        |                       |                                     | 14       |
| 6,159,465                    |                             |                              |                          |                        | 302,203,985           | 302,203,985                         |          |

|  |   |  |                                  |
|--|---|--|----------------------------------|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>2012/Q4 |
| FOOTNOTE DATA  |   |  |                                  |

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

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

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

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

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

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

|  |   |  |   |
|--|---|--|---|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of 2012/Q4 |
|--|---|--|---|

MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (ELECTRIC)

| Line No. | Description (a)  | Amount (b) |
|----------|--|------------|
| 1        | Industry Association Dues  |            |
| 2        | Nuclear Power Research Expenses                                      |            |
| 3        | Other Experimental and General Research Expenses                     |            |
| 4        | Pub & Dist Info to Stkhldrs...expn servicing outstanding Securities  |            |
| 5        | Oth Expn >=5,000 show purpose, recipient, amount. Group if < \$5,000 | 43,293     |
| 6        | American Electric Power  | 101,257    |
| 7        | AT&T Mobility  | 88,941     |
| 8        | Bank of Nova Scotia  | 252,877    |
| 9        | Bank of Tokyo  | 610,592    |
| 10       | Cintas Corporation   | 17,968     |
| 11       | Citibank CMRS  | 35,999     |
| 12       | Edison Electric Institute  | 178,104    |
| 13       | Fitch Inc.   | 35,000     |
| 14       | Frontier   | 31,510     |
| 15       | Gordon Flesch Co Inc   | 36,125     |
| 16       | Horizon Chillicothe Telephone  | 13,977     |
| 17       | Horizon Computer Solutions   | 5,650      |
| 18       | Huntington National Bank   | 67,675     |
| 19       | Hunton & Williams  | 15,000     |
| 20       | Keybanc Capital Markets  | 51,251     |
| 21       | Keybank National Association   | 626,152    |
| 22       | Moody's Investors Service  | 78,500     |
| 23       | Morgan Stanley & Co.   | 100,752    |
| 24       | PNC Capital Markets LLC  | 25,547     |
| 25       | Premiere Global Services   | 19,831     |
| 26       | Shumaker, Loop & Kendrick LLP  | 33,212     |
| 27       | Spyglass Group, Inc.   | 10,567     |
| 28       | Standards and Poor's   | 40,000     |
| 29       | Verizon Business   | 93,745     |
| 30       |  |            |
| 31       |  |            |
| 32       |  |            |
| 33       |  |            |
| 34       |  |            |
| 35       |  |            |
| 36       |  |            |
| 37       |  |            |
| 38       |  |            |
| 39       |  |            |
| 40       |  |            |
| 41       |  |            |
| 42       |  |            |
| 43       |  |            |
| 44       |  |            |
| 45       |  |            |
| 46       | TOTAL  | 2,613,525  |

|  |   |  |   |
|--|---|--|---|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of 2012/Q4 |
|--|---|--|---|

**DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Account 403, 404, 405)**  
(Except amortization of acquisition adjustments)

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

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

| Line No. | Functional Classification<br>(a)           | Depreciation Expense<br>(Account 403)<br>(b) | Depreciation Expense for Asset Retirement Costs<br>(Account 403.1)<br>(c) | Amortization of Limited Term Electric Plant<br>(Account 404)<br>(d) | Amortization of Other Electric Plant (Acc 405)<br>(e) | Total<br>(f) |
|----------|--|--|---|---|---|--------------|
| 1        | Intangible Plant                           |  |   |   |   |              |
| 2        | Steam Production Plant                     |  |   |   |   |              |
| 3        | Nuclear Production Plant                   |  |   |   |   |              |
| 4        | Hydraulic Production Plant-Conventional    |  |   |   |   |              |
| 5        | Hydraulic Production Plant-Pumped Storage  |  |   |   |   |              |
| 6        | Other Production Plant                     |  |   |   |   |              |
| 7        | Transmission Plant                         |  |   |   |   |              |
| 8        | Distribution Plant                         |  |   |   |   |              |
| 9        | Regional Transmission and Market Operation |  |   |   |   |              |
| 10       | General Plant                              |  |   |   |   |              |
| 11       | Common Plant-Electric                      | 58,453,907                                   |   |   |   | 58,453,907   |
| 12       | TOTAL                                      | 58,453,907                                   |   |   |   | 58,453,907   |

**B. Basis for Amortization Charges**

|  |  |
|--|--|
|  |  |
|--|--|

|  |   |  |  |
|--|---|--|--|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of <u>2012/Q4</u> |
|--|---|--|--|

DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)

C. Factors Used in Estimating Depreciation Charges

| Line No. | Account No.<br>(a) | Depreciable Plant Base<br>(In Thousands)<br>(b) | Estimated Avg. Service Life<br>(c) | Net Salvage (Percent)<br>(d) | Applied Depr. rates (Percent)<br>(e) | Mortality Curve Type<br>(f) | Average Remaining Life<br>(g) |
|----------|--------------------|---|------------------------------------|------------------------------|--------------------------------------|-----------------------------|-------------------------------|
| 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       |                    |   |                                    |                              |                                      |                             |                               |
| 49       |                    |   |                                    |                              |                                      |                             |                               |
| 50       |                    |   |                                    |                              |                                      |                             |                               |

|  |   |  |  |
|--|---|--|--|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of <u>2012/Q4</u> |
|--|---|--|--|

**REGULATORY COMMISSION EXPENSES**

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

| Line No. | Description<br>(Furnish name of regulatory commission or body the docket or case number and a description of the case)<br>(a) | Assessed by Regulatory Commission<br>(b) | Expenses of Utility<br>(c) | Total Expense for Current Year<br>(b) + (c)<br>(d) | Deferred in Account 182.3 at Beginning of Year<br>(e) |
|----------|---|--|----------------------------|--|---|
| 1        | FERC Order 582  |  |                            |  |   |
| 2        | Assessment for maintenance of the   |  |                            |  |   |
| 3        | Federal Energy Regulatory Commission  | 915,926                                  |                            | 915,926  |   |
| 4        |   |  |                            |  |   |
| 5        | Section 4905.10 Ohio Revised Code   |  |                            |  |   |
| 6        | Assessment for maintenance of the   |  |                            |  |   |
| 7        | Public Utilities Commission of Ohio   | 26,069                                   |                            | 26,069   |   |
| 8        |   |  |                            |  |   |
| 9        | Section 4911.18 Ohio Revised Code   |  |                            |  |   |
| 10       | Assessment for maintenance of the   |  |                            |  |   |
| 11       | Office of the Consumers' Counsel of Ohio  | 6,253                                    |                            | 6,253  |   |
| 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       | <b>TOTAL</b>  | 948,248                                  |                            | 948,248  |   |

|  |   |  |  |
|--|---|--|--|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of <u>2012/Q4</u> |
|--|---|--|--|

REGULATORY COMMISSION EXPENSES (Continued)

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

| EXPENSES INCURRED DURING YEAR |                 |            | AMORTIZED DURING YEAR         |                    |            |   | Line No. |
|-------------------------------|-----------------|------------|-------------------------------|--------------------|------------|---|----------|
| CURRENTLY CHARGED TO          |                 |            | Deferred to Account 182.3 (i) | Contra Account (j) | Amount (k) | Deferred in Account 182.3 End of Year (l) |          |
| Department (f)                | Account No. (g) | Amount (h) |                               |                    |            |   |          |
|                               |                 |            |                               |                    |            |   | 1        |
|                               |                 |            |                               |                    |            |   | 2        |
|                               |                 |            |                               |                    |            |   | 3        |
|                               |                 |            |                               |                    |            |   | 4        |
|                               |                 |            |                               |                    |            |   | 5        |
|                               |                 |            |                               |                    |            |   | 6        |
|                               |                 |            |                               |                    |            |   | 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       |

|  |   |  |  |
|--|---|--|--|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of <u>2012/Q4</u> |
|--|---|--|--|

**RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES**

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

**Classifications:**

- |  |  |
|--|--|
| <p><b>A. Electric R, D &amp; D Performed Internally:</b></p> <p>(1) Generation</p> <p>    a. hydroelectric</p> <p>        i. Recreation fish and wildlife</p> <p>        ii Other hydroelectric</p> <p>    b. Fossil-fuel steam</p> <p>    c. Internal combustion or gas turbine</p> <p>    d. Nuclear</p> <p>    e. Unconventional generation</p> <p>    f. Siting and heat rejection</p> <p>(2) Transmission</p> | <p>a. Overhead</p> <p>b. Underground</p> <p>(3) Distribution</p> <p>(4) Regional Transmission and Market Operation</p> <p>(5) Environment (other than equipment)</p> <p>(6) Other (Classify and include items in excess of \$50,000.)</p> <p>(7) Total Cost Incurred</p> <p><b>B. Electric, R, D &amp; D Performed Externally:</b></p> <p>(1) Research Support to the electrical Research Council or the Electric Power Research Institute</p> |
|--|--|

| Line No. | Classification (a) | Description (b)                        |
|----------|--------------------|--|
| 1        | A - (5)            | Ohio River Ecological Research Program |
| 2        |                    |  |
| 3        |                    |  |
| 4        |                    |  |
| 5        |                    |  |
| 6        |                    |  |
| 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       |                    |  |

|  |   |  |  |
|--|---|--|--|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of <u>2012/Q4</u> |
|--|---|--|--|

**RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES (Continued)**

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

3. Include in column (c) all R, D & D items performed internally and in column (d) those items performed outside the company costing \$50,000 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 \$50,000 by classifications and indicate the number of items grouped. Under Other, (A (6) and B (4)) classify items by type of R, D & D activity.

4. Show in column (e) the account number charged with expenses during the year or the account to which amounts were capitalized during the year, listing Account 107, Construction Work in Progress, first. Show in column (f) the amounts related to the account charged in column (e)

5. Show in column (g) the total unamortized accumulating of costs of projects. This total must equal the balance in Account 188, Research, Development, and Demonstration Expenditures, Outstanding at the end of the year.

6. If costs have not been segregated for R, D & D activities or projects, submit estimates for columns (c), (d), and (f) with such amounts identified by "Est."

7. Report separately research and related testing facilities operated by the respondent.

| Costs Incurred Internally<br>Current Year<br>(c) | Costs Incurred Externally<br>Current Year<br>(d) | AMOUNTS CHARGED IN CURRENT YEAR |               | Unamortized<br>Accumulation<br>(g) | Line<br>No. |
|--|--|---------------------------------|---------------|------------------------------------|-------------|
|  |  | Account<br>(e)                  | Amount<br>(f) |                                    |             |
|  |  | 923-200                         | 36,500        |                                    | 1           |
|  |  |                                 |               |                                    | 2           |
|  |  |                                 |               |                                    | 3           |
|  |  |                                 |               |                                    | 4           |
|  |  |                                 |               |                                    | 5           |
|  |  |                                 |               |                                    | 6           |
|  |  |                                 |               |                                    | 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          |

|  |   |  |  |
|--|---|--|--|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of <u>2012/Q4</u> |
|--|---|--|--|

**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<br>(a)  | Direct Payroll Distribution<br>(b) | Allocation of Payroll charged for Clearing Accounts<br>(c) | Total<br>(d) |
|----------|--|------------------------------------|--|--------------|
| 1        | Electric   |                                    |  |              |
| 2        | Operation  |                                    |  |              |
| 3        | Production   | 16,004,832                         |  |              |
| 4        | Transmission   | 2,127,973                          |  |              |
| 5        | Regional Market  |                                    |  |              |
| 6        | Distribution   |                                    |  |              |
| 7        | Customer Accounts  |                                    |  |              |
| 8        | Customer Service and Informational                             |                                    |  |              |
| 9        | Sales  |                                    |  |              |
| 10       | Administrative and General                                     | 5,676,598                          |  |              |
| 11       | TOTAL Operation (Enter Total of lines 3 thru 10)               | 23,809,403                         |  |              |
| 12       | Maintenance  |                                    |  |              |
| 13       | Production   | 11,498,954                         |  |              |
| 14       | Transmission   | 917,404                            |  |              |
| 15       | Regional Market  |                                    |  |              |
| 16       | Distribution   |                                    |  |              |
| 17       | Administrative and General                                     |                                    |  |              |
| 18       | TOTAL Maintenance (Total of lines 13 thru 17)                  | 12,416,358                         |  |              |
| 19       | Total Operation and Maintenance                                |                                    |  |              |
| 20       | Production (Enter Total of lines 3 and 13)                     | 27,503,786                         |  |              |
| 21       | Transmission (Enter Total of lines 4 and 14)                   | 3,045,377                          |  |              |
| 22       | Regional Market (Enter Total of Lines 5 and 15)                |                                    |  |              |
| 23       | Distribution (Enter Total of lines 6 and 16)                   |                                    |  |              |
| 24       | Customer Accounts (Transcribe from line 7)                     |                                    |  |              |
| 25       | Customer Service and Informational (Transcribe from line 8)    |                                    |  |              |
| 26       | Sales (Transcribe from line 9)                                 |                                    |  |              |
| 27       | Administrative and General (Enter Total of lines 10 and 17)    | 5,676,598                          |  |              |
| 28       | TOTAL Oper. and Maint. (Total of lines 20 thru 27)             | 36,225,761                         |  | 36,225,761   |
| 29       | Gas  |                                    |  |              |
| 30       | Operation  |                                    |  |              |
| 31       | Production-Manufactured Gas                                    |                                    |  |              |
| 32       | Production-Nat. Gas (Including Expl. and Dev.)                 |                                    |  |              |
| 33       | Other Gas Supply   |                                    |  |              |
| 34       | Storage, LNG Terminaling and Processing                        |                                    |  |              |
| 35       | Transmission   |                                    |  |              |
| 36       | Distribution   |                                    |  |              |
| 37       | Customer Accounts  |                                    |  |              |
| 38       | Customer Service and Informational                             |                                    |  |              |
| 39       | Sales  |                                    |  |              |
| 40       | Administrative and General                                     |                                    |  |              |
| 41       | TOTAL Operation (Enter Total of lines 31 thru 40)              |                                    |  |              |
| 42       | Maintenance  |                                    |  |              |
| 43       | Production-Manufactured Gas                                    |                                    |  |              |
| 44       | Production-Natural Gas (Including Exploration and Development) |                                    |  |              |
| 45       | Other Gas Supply   |                                    |  |              |
| 46       | Storage, LNG Terminaling and Processing                        |                                    |  |              |
| 47       | Transmission   |                                    |  |              |
|          |  |                                    |  |              |

|  |   |  |   |
|--|---|--|---|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of 2012/Q4 |
|--|---|--|---|

DISTRIBUTION OF SALARIES AND WAGES (Continued)

| Line No. | Classification<br>(a)  | Direct Payroll Distribution<br>(b) | Allocation of Payroll charged for Clearing Accounts<br>(c) | Total<br>(d) |
|----------|--|------------------------------------|--|--------------|
| 48       | Distribution   |                                    |  |              |
| 49       | Administrative and General   |                                    |  |              |
| 50       | TOTAL Maint. (Enter Total of lines 43 thru 49)                     |                                    |  |              |
| 51       | Total Operation and Maintenance                                    |                                    |  |              |
| 52       | Production-Manufactured Gas (Enter Total of lines 31 and 43)       |                                    |  |              |
| 53       | Production-Natural Gas (Including Expl. and Dev.) (Total lines 32, |                                    |  |              |
| 54       | Other Gas Supply (Enter Total of lines 33 and 45)                  |                                    |  |              |
| 55       | Storage, LNG Terminaling and Processing (Total of lines 31 thru    |                                    |  |              |
| 56       | Transmission (Lines 35 and 47)                                     |                                    |  |              |
| 57       | Distribution (Lines 36 and 48)                                     |                                    |  |              |
| 58       | Customer Accounts (Line 37)  |                                    |  |              |
| 59       | Customer Service and Informational (Line 38)                       |                                    |  |              |
| 60       | Sales (Line 39)  |                                    |  |              |
| 61       | Administrative and General (Lines 40 and 49)                       |                                    |  |              |
| 62       | TOTAL Operation and Maint. (Total of lines 52 thru 61)             |                                    |  |              |
| 63       | Other Utility Departments  |                                    |  |              |
| 64       | Operation and Maintenance  |                                    |  |              |
| 65       | TOTAL All Utility Dept. (Total of lines 28, 62, and 64)            | 36,225,761                         |  | 36,225,761   |
| 66       | Utility Plant  |                                    |  |              |
| 67       | Construction (By Utility Departments)                              |                                    |  |              |
| 68       | Electric Plant   | 251,619                            |  | 251,619      |
| 69       | Gas Plant  |                                    |  |              |
| 70       | Other (provide details in footnote):                               |                                    |  |              |
| 71       | TOTAL Construction (Total of lines 68 thru 70)                     | 251,619                            |  | 251,619      |
| 72       | Plant Removal (By Utility Departments)                             |                                    |  |              |
| 73       | Electric Plant   | 3,937                              |  | 3,937        |
| 74       | Gas Plant  |                                    |  |              |
| 75       | Other (provide details in footnote):                               | 30,693                             |  | 30,693       |
| 76       | TOTAL Plant Removal (Total of lines 73 thru 75)                    | 34,630                             |  | 34,630       |
| 77       | Other Accounts (Specify, provide details in footnote):             |                                    |  |              |
| 78       |  |                                    |  |              |
| 79       |  |                                    |  |              |
| 80       |  |                                    |  |              |
| 81       |  |                                    |  |              |
| 82       |  |                                    |  |              |
| 83       |  |                                    |  |              |
| 84       |  |                                    |  |              |
| 85       |  |                                    |  |              |
| 86       |  |                                    |  |              |
| 87       |  |                                    |  |              |
| 88       |  |                                    |  |              |
| 89       |  |                                    |  |              |
| 90       |  |                                    |  |              |
| 91       |  |                                    |  |              |
| 92       |  |                                    |  |              |
| 93       |  |                                    |  |              |
| 94       |  |                                    |  |              |
| 95       | TOTAL Other Accounts   |                                    |  |              |
| 96       | TOTAL SALARIES AND WAGES   | 36,512,010                         |  | 36,512,010   |

|  |   |  |  |
|--|---|--|--|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of <u>2012/Q4</u> |
|--|---|--|--|

COMMON UTILITY PLANT AND EXPENSES

1. Describe the property carried in the utility's accounts as common utility plant and show the book cost of such plant at end of year classified by accounts as provided by Plant Instruction 13, Common Utility Plant, of the Uniform System of Accounts. Also show the allocation of such plant costs to the respective departments using the common utility plant and explain the basis of allocation used, giving the allocation factors.
2. Furnish the accumulated provisions for depreciation and amortization at end of year, showing the amounts and classifications of such accumulated provisions, and amounts allocated to utility departments using the Common utility plant to which such accumulated provisions relate, including explanation of basis of allocation and factors used.
3. Give for the year the expenses of operation, maintenance, rents, depreciation, and amortization for common utility plant classified by accounts as provided by the Uniform System of Accounts. Show the allocation of such expenses to the departments using the common utility plant to which such expenses are related. Explain the basis of allocation used and give the factors of allocation.
4. Give date of approval by the Commission for use of the common utility plant classification and reference to order of the Commission or other authorization.

|  |   |  |  |
|--|---|--|--|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of <u>2012/Q4</u> |
|--|---|--|--|

**MONTHLY TRANSMISSION SYSTEM PEAK LOAD**

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

**NAME OF SYSTEM:**

| Line No. | Month<br>(a)            | Monthly Peak MW - Total<br>(b) | Day of Monthly Peak<br>(c) | Hour of Monthly Peak<br>(d) | Firm Network Service for Self<br>(e) | Firm Network Service for Others<br>(f) | Long-Term Firm Point-to-point Reservations<br>(g) | Other Long-Term Firm Service<br>(h) | Short-Term Firm Point-to-point Reservation<br>(i) | Other Service<br>(j) |
|----------|-------------------------|--------------------------------|----------------------------|-----------------------------|--------------------------------------|--|---|-------------------------------------|---|----------------------|
| 1        | January                 | 108                            | 26                         | 800                         |                                      |  | 2,256   |                                     |   |                      |
| 2        | February                | 119                            | 10                         | 2000                        |                                      |  | 2,256   |                                     |   |                      |
| 3        | March                   | 115                            | 5                          | 300                         |                                      |  | 2,256   |                                     |   |                      |
| 4        | Total for Quarter 1     | 342                            |                            |                             |                                      |  | 6,768   |                                     |   |                      |
| 5        | April                   | 95                             | 6                          | 700                         |                                      |  | 2,256   |                                     |   |                      |
| 6        | May                     | 101                            | 1                          | 2000                        |                                      |  | 2,256   |                                     |   |                      |
| 7        | June                    | 103                            | 29                         | 1100                        |                                      |  | 2,256   |                                     |   |                      |
| 8        | Total for Quarter 2     | 299                            |                            |                             |                                      |  | 6,768   |                                     |   |                      |
| 9        | July                    | 98                             | 26                         | 2000                        |                                      |  | 2,256   |                                     |   |                      |
| 10       | August                  | 98                             | 9                          | 1800                        |                                      |  | 2,256   |                                     |   |                      |
| 11       | September               | 87                             | 14                         | 1600                        |                                      |  | 2,256   |                                     |   |                      |
| 12       | Total for Quarter 3     | 283                            |                            |                             |                                      |  | 6,768   |                                     |   |                      |
| 13       | October                 | 107                            | 30                         | 800                         |                                      |  | 2,256   |                                     |   |                      |
| 14       | November                | 121                            | 8                          | 1000                        |                                      |  | 2,256   |                                     |   |                      |
| 15       | December                | 133                            | 29                         | 300                         |                                      |  | 2,256   |                                     |   |                      |
| 16       | Total for Quarter 4     | 361                            |                            |                             |                                      |  | 6,768   |                                     |   |                      |
| 17       | Total Year to Date/Year | 1,285                          |                            |                             |                                      |  | 27,072  |                                     |   |                      |

|  |   |  |                                  |
|--|---|--|----------------------------------|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>2012/Q4 |
| FOOTNOTE DATA  |   |  |                                  |

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

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

|  |   |  |   |
|--|---|--|---|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of 2012/Q4 |
|--|---|--|---|

**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<br>(a)  | MegaWatt Hours<br>(b) | Line No. | Item<br>(a)  | MegaWatt Hours<br>(b) |
|----------|--|-----------------------|----------|--|-----------------------|
| 1        | SOURCES OF ENERGY                                  |                       | 21       | DISPOSITION OF ENERGY  |                       |
| 2        | Generation (Excluding Station Use):                |                       | 22       | Sales to Ultimate Consumers (Including Interdepartmental Sales)        | 207,692               |
| 3        | Steam  | 4,569,146             | 23       | Requirements Sales for Resale (See instruction 4, page 311.)           |                       |
| 4        | Nuclear  |                       | 24       | Non-Requirements Sales for Resale (See instruction 4, page 311.)       | 10,340,568            |
| 5        | Hydro-Conventional                                 |                       | 25       | Energy Furnished Without Charge  |                       |
| 6        | Hydro-Pumped Storage                               |                       | 26       | Energy Used by the Company (Electric Dept Only, Excluding Station Use) |                       |
| 7        | Other  |                       | 27       | Total Energy Losses  | 180,351               |
| 8        | Less Energy for Pumping                            |                       | 28       | TOTAL (Enter Total of Lines 22 Through 27) (MUST EQUAL LINE 20)        | 10,728,611            |
| 9        | Net Generation (Enter Total of lines 3 through 8)  | 4,569,146             |          |  |                       |
| 10       | Purchases  | 6,159,465             |          |  |                       |
| 11       | Power Exchanges:                                   |                       |          |  |                       |
| 12       | Received   |                       |          |  |                       |
| 13       | Delivered  |                       |          |  |                       |
| 14       | Net Exchanges (Line 12 minus line 13)              |                       |          |  |                       |
| 15       | Transmission For Other (Wheeling)                  |                       |          |  |                       |
| 16       | Received   |                       |          |  |                       |
| 17       | Delivered  |                       |          |  |                       |
| 18       | Net Transmission for Other (Line 16 minus line 17) |                       |          |  |                       |
| 19       | Transmission By Others Losses                      |                       |          |  |                       |
| 20       | TOTAL (Enter Total of lines 9, 10, 14, 18 and 19)  | 10,728,611            |          |  |                       |

|  |   |  |  |
|--|---|--|--|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of <u>2012/Q4</u> |
|--|---|--|--|

**MONTHLY PEAKS AND OUTPUT**

1. Report the monthly peak load and energy output. If the respondent has two or more power which are not physically integrated, furnish the required information for each non-integrated system.
2. Report in column (b) by month the system's output in Megawatt hours for each month.
3. Report in column (c) by month the non-requirements sales for resale. Include in the monthly amounts any energy losses associated with the sales.
4. Report in column (d) by month the system's monthly maximum megawatt load (60 minute integration) associated with the system.
5. Report in column (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      | 861,433                  | 818,265   | 576                          | 26               | 1100     |
| 30       | February     | 851,275                  | 814,310   | 760                          | 20               | 1900     |
| 31       | March        | 754,794                  | 721,734   | 755                          | 6                | 2000     |
| 32       | April        | 766,448                  | 739,225   | 932                          | 10               | 1400     |
| 33       | May          | 992,452                  | 960,990   | 986                          | 26               | 1600     |
| 34       | June         | 864,688                  | 835,205   | 968                          | 27               | 2000     |
| 35       | July         | 982,681                  | 953,921   | 951                          | 2                | 2200     |
| 36       | August       | 895,857                  | 867,047   | 942                          | 14               | 1600     |
| 37       | September    | 648,975                  | 623,935   | 930                          | 11               | 1900     |
| 38       | October      | 948,423                  | 917,491   | 969                          | 17               | 1500     |
| 39       | November     | 1,172,421                | 1,134,248   | 988                          | 6                | 0400     |
| 40       | December     | 989,164                  | 954,197   | 995                          | 13               | 2100     |
| 41       | <b>TOTAL</b> | <b>10,728,611</b>        | <b>10,340,568</b>   |                              |                  |          |

|  |   |  |  |
|--|---|--|--|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of <u>2012/Q4</u> |
|--|---|--|--|

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

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

| Line No. | Item<br>(a)   | Plant Name: KYGER CREEK<br>(b) | Plant Name:<br>(c) |
|----------|---|--------------------------------|--------------------|
| 1        | Kind of Plant (Internal Comb, Gas Turb, Nuclear)        | STEAM                          |                    |
| 2        | Type of Constr (Conventional, Outdoor, Boiler, etc)     | CONVENTIONAL                   |                    |
| 3        | Year Originally Constructed                             | 1955                           |                    |
| 4        | Year Last Unit was Installed                            | 1955                           |                    |
| 5        | Total Installed Cap (Max Gen Name Plate Ratings-MW)     | 1086.30                        | 0.00               |
| 6        | Net Peak Demand on Plant - MW (60 minutes)              | 995                            | 0                  |
| 7        | Plant Hours Connected to Load                           | 8784                           | 0                  |
| 8        | Net Continuous Plant Capability (Megawatts)             | 0                              | 0                  |
| 9        | When Not Limited by Condenser Water                     | 1070                           | 0                  |
| 10       | When Limited by Condenser Water                         | 0                              | 0                  |
| 11       | Average Number of Employees                             | 450                            | 0                  |
| 12       | Net Generation, Exclusive of Plant Use - KWh            | 4569145000                     | 0                  |
| 13       | Cost of Plant: Land and Land Rights                     | 3029610                        | 0                  |
| 14       | Structures and Improvements                             | 271169832                      | 0                  |
| 15       | Equipment Costs   | 942822935                      | 0                  |
| 16       | Asset Retirement Costs                                  | 0                              | 0                  |
| 17       | Total Cost  | 1217022377                     | 0                  |
| 18       | Cost per KW of Installed Capacity (line 17/5) Including | 1120.3373                      | 0                  |
| 19       | Production Expenses: Oper, Supv, & Engr                 | 2364908                        | 0                  |
| 20       | Fuel  | 106818557                      | 0                  |
| 21       | Coolants and Water (Nuclear Plants Only)                | 0                              | 0                  |
| 22       | Steam Expenses  | 7597591                        | 0                  |
| 23       | Steam From Other Sources                                | 0                              | 0                  |
| 24       | Steam Transferred (Cr)                                  | 0                              | 0                  |
| 25       | Electric Expenses                                       | 3651308                        | 0                  |
| 26       | Misc Steam (or Nuclear) Power Expenses                  | 20267291                       | 0                  |
| 27       | Rents   | 41320                          | 0                  |
| 28       | Allowances  | 72316                          | 0                  |
| 29       | Maintenance Supervision and Engineering                 | 1196404                        | 0                  |
| 30       | Maintenance of Structures                               | 7598254                        | 0                  |
| 31       | Maintenance of Boiler (or reactor) Plant                | 25746484                       | 0                  |
| 32       | Maintenance of Electric Plant                           | 7474832                        | 0                  |
| 33       | Maintenance of Misc Steam (or Nuclear) Plant            | 2650967                        | 0                  |
| 34       | Total Production Expenses                               | 185480232                      | 0                  |
| 35       | Expenses per Net KWh                                    | 0.0406                         | 0.0000             |
| 36       | Fuel: Kind (Coal, Gas, Oil, or Nuclear)                 | COAL                           | OIL                |
| 37       | Unit (Coal-tons/Oil-barrel/Gas-mcf/Nuclear-indicate)    | TONS                           | GALLONS            |
| 38       | Quantity (Units) of Fuel Burned                         | 2061074                        | 503934             |
| 39       | Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)   | 12212                          | 136000             |
| 40       | Avg Cost of Fuel/unit, as Delvd f.o.b. during year      | 51.327                         | 3.295              |
| 41       | Average Cost of Fuel per Unit Burned                    | 49.090                         | 3.265              |
| 42       | Average Cost of Fuel Burned per Million BTU             | 213.507                        | 24.007             |
| 43       | Average Cost of Fuel Burned per KWh Net Gen             | 0.026                          | 0.000              |
| 44       | Average BTU per KWh Net Generation                      | 10386.000                      | 0.000              |

|  |   |  |  |
|--|---|--|--|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of <u>2012/Q4</u> |
|--|---|--|--|

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

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

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

|  |   |  |                                  |
|--|---|--|----------------------------------|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>2012/Q4 |
| FOOTNOTE DATA  |   |  |                                  |

**Schedule Page: 402 Line No.: 43 Column: b1**  
Includes both coal and fuel oil.

**Schedule Page: 402 Line No.: 44 Column: b1**  
Includes both coal and fuel oil.

|  |   |  |   |
|--|---|--|---|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of 2012/Q4 |
|--|---|--|---|

**TRANSMISSION LINE STATISTICS**

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

| Line No. | DESIGNATION         |                   | VOLTAGE (KV)<br>(Indicate where other than 60 cycle, 3 phase) |              | Type of Supporting Structure (e) | LENGTH (Pole miles)<br>(In the case of underground lines report circuit miles) |                                   | Number Of Circuits (h) |
|----------|---------------------|-------------------|---|--------------|----------------------------------|--|-----------------------------------|------------------------|
|          | From (a)            | To (b)            | Operating (c)   | Designed (d) |                                  | On Structure of Line Designated (f)  | On Structures of Another Line (g) |                        |
| 1        | Kyger Creek         | Ohio-W.VA         |   |              |                                  |  |                                   |                        |
| 2        |                     | State Line        |   |              |                                  |  |                                   |                        |
| 3        |                     | Sporn-            |   |              |                                  |  |                                   |                        |
| 4        |                     | Tristate          | 345.00  | 330.00       | Steel Tower                      | 0.40   |                                   | 2                      |
| 5        |                     |                   |   |              |                                  |  |                                   |                        |
| 6        | Kyger Creek         | X-530(DOE)        | 345.00  | 330.00       | Steel Tower                      | 50.40  |                                   | 2                      |
| 7        |                     |                   |   |              |                                  |  |                                   |                        |
| 8        | Kyger Creek         | Don Marquis       | 345.00  | 330.00       | Steel Tower                      | 0.80   | 48.30                             | 1                      |
| 9        |                     |                   |   |              |                                  |  |                                   |                        |
| 10       | Kyger Creek         | Pierce            | 345.00  | 330.00       | Steel Tower                      | 119.80   |                                   | 1                      |
| 11       |                     |                   |   |              |                                  |  |                                   |                        |
| 12       | Pierce              | X-530(DOE)        | 345.00  | 330.00       | Steel Tower                      | 71.50  |                                   | 2                      |
| 13       |                     |                   |   |              |                                  |  |                                   |                        |
| 14       | Ind.-Kentucky       |                   |   |              |                                  |  |                                   |                        |
| 15       | State Line          |                   |   |              |                                  |  |                                   |                        |
| 16       | (Clifty Creek)      | Pierce            | 345.00  | 330.00       | Steel Tower                      | 69.60  |                                   | 2                      |
| 17       |                     |                   |   |              |                                  |  |                                   |                        |
| 18       | Ind.-Kentucky       |                   |   |              |                                  |  |                                   |                        |
| 19       | State Line          |                   |   |              |                                  |  |                                   |                        |
| 20       | (Dearborn)          | Pierce            | 345.00  | 330.00       | Steel Tower                      | 33.00  |                                   | 1                      |
| 21       |                     |                   |   |              |                                  |  |                                   |                        |
| 22       | Ind.-Kentucky       |                   |   |              |                                  |  |                                   |                        |
| 23       | State Line          |                   |   |              |                                  |  |                                   |                        |
| 24       | (Dearborn)          | Buffington (CG&E) | 345.00  | 330.00       | Steel Tower                      |  | 16.00                             | 1                      |
| 25       |                     |                   |   |              |                                  |  |                                   |                        |
| 26       |                     |                   |   |              |                                  |  |                                   |                        |
| 27       | Pierce              | Buffington (CG&E) | 345.00  | 330.00       | Steel Tower                      |  | 17.00                             | 1                      |
| 28       |                     |                   |   |              |                                  |  |                                   |                        |
| 29       | Expenses Applicable |                   |   |              |                                  |  |                                   |                        |
| 30       | To All Lines        |                   |   |              |                                  |  |                                   |                        |
| 31       |                     |                   |   |              |                                  |  |                                   |                        |
| 32       |                     |                   |   |              |                                  |  |                                   |                        |
| 33       |                     |                   |   |              |                                  |  |                                   |                        |
| 34       |                     |                   |   |              |                                  |  |                                   |                        |
| 35       |                     |                   |   |              |                                  |  |                                   |                        |
| 36       |                     |                   |   |              | TOTAL                            | 345.50   | 81.30                             | 13                     |

|  |   |  |   |
|--|---|--|---|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of 2012/Q4 |
|--|---|--|---|

TRANSMISSION LINE STATISTICS (Continued)

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

| Size of Conductor and Material (i) | COST OF LINE (Include in Column (j) Land, Land rights, and clearing right-of-way) |                                  |                | EXPENSES, EXCEPT DEPRECIATION AND TAXES |                          |           |                    | Line No. |
|------------------------------------|---|----------------------------------|----------------|---|--------------------------|-----------|--------------------|----------|
|                                    | Land (j)  | Construction and Other Costs (k) | Total Cost (l) | Operation Expenses (m)                  | Maintenance Expenses (n) | Rents (o) | Total Expenses (p) |          |
|                                    |   |                                  |                |   |                          |           |                    | 1        |
|                                    |   |                                  |                |   |                          |           |                    | 2        |
| 1.75 in.                           |   |                                  |                |   |                          |           |                    | 3        |
| ACSR                               |   | 81,232                           | 81,232         |   |                          |           |                    | 4        |
|                                    |   |                                  |                |   |                          |           |                    | 5        |
| *                                  | 254,459   | 3,576,700                        | 3,831,159      |   |                          |           |                    | 6        |
|                                    |   |                                  |                |   |                          |           |                    | 7        |
|                                    |   |                                  |                |   |                          |           |                    | 8        |
|                                    |   |                                  |                |   |                          |           |                    | 9        |
| *                                  | 244,852   | 3,397,636                        | 3,642,488      |   |                          |           |                    | 10       |
|                                    |   |                                  |                |   |                          |           |                    | 11       |
| *                                  | 389,206   | 5,533,748                        | 5,922,954      |   |                          |           |                    | 12       |
|                                    |   |                                  |                |   |                          |           |                    | 13       |
|                                    |   |                                  |                |   |                          |           |                    | 14       |
|                                    |   |                                  |                |   |                          |           |                    | 15       |
| *                                  | 341,839   | 4,922,293                        | 5,264,132      |   |                          |           |                    | 16       |
|                                    |   |                                  |                |   |                          |           |                    | 17       |
|                                    |   |                                  |                |   |                          |           |                    | 18       |
|                                    |   |                                  |                |   |                          |           |                    | 19       |
| *                                  | 221,853   | 2,391,061                        | 2,612,914      |   |                          |           |                    | 20       |
|                                    |   |                                  |                |   |                          |           |                    | 21       |
|                                    |   |                                  |                |   |                          |           |                    | 22       |
|                                    |   |                                  |                |   |                          |           |                    | 23       |
| *                                  |   |                                  |                |   |                          |           |                    | 24       |
|                                    |   |                                  |                |   |                          |           |                    | 25       |
|                                    |   |                                  |                |   |                          |           |                    | 26       |
| *                                  |   |                                  |                |   |                          |           |                    | 27       |
|                                    |   |                                  |                |   |                          |           |                    | 28       |
|                                    |   |                                  |                |   |                          |           |                    | 29       |
|                                    |   |                                  |                | 4,904,346                               | 1,255,727                |           | 6,160,073          | 30       |
|                                    |   |                                  |                |   |                          |           |                    | 31       |
|                                    |   |                                  |                |   |                          |           |                    | 32       |
|                                    |   |                                  |                |   |                          |           |                    | 33       |
|                                    |   |                                  |                |   |                          |           |                    | 34       |
|                                    |   |                                  |                |   |                          |           |                    | 35       |
|                                    | 1,452,209   | 19,902,670                       | 21,354,879     | 4,904,346                               | 1,255,727                |           | 6,160,073          | 36       |

|  |   |  |                                  |
|--|---|--|----------------------------------|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>2012/Q4 |
| FOOTNOTE DATA  |   |  |                                  |

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

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

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

See footnote for page 422 line 24 column a.

|  |   |  |  |
|--|---|--|--|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of <u>2012/Q4</u> |
|--|---|--|--|

**SUBSTATIONS**

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

| Line No. | Name and Location of Substation<br>(a) | Character of Substation<br>(b) | VOLTAGE (In MVa) |                  |                 |
|----------|--|--------------------------------|------------------|------------------|-----------------|
|          |  |                                | Primary<br>(c)   | Secondary<br>(d) | Tertiary<br>(e) |
| 1        | Kyger Creek-Cheshire, OH               | Transmission                   |                  |                  |                 |
| 2        |  | Partially Attended             | 15.50            | 345.00           |                 |
| 3        |  |                                |                  |                  |                 |
| 4        | Pierce-New Richmond, OH                | Transmission                   |                  |                  |                 |
| 5        |  | Unattended                     | 345.00           | 138.00           |                 |
| 6        |  |                                |                  |                  |                 |
| 7        |  |                                |                  |                  |                 |
| 8        |  |                                |                  |                  |                 |
| 9        |  |                                |                  |                  |                 |
| 10       |  |                                |                  |                  |                 |
| 11       |  |                                |                  |                  |                 |
| 12       |  |                                |                  |                  |                 |
| 13       |  |                                |                  |                  |                 |
| 14       |  |                                |                  |                  |                 |
| 15       |  |                                |                  |                  |                 |
| 16       |  |                                |                  |                  |                 |
| 17       | *MVa Changed to KV                     |                                |                  |                  |                 |
| 18       |  |                                |                  |                  |                 |
| 19       |  |                                |                  |                  |                 |
| 20       |  |                                |                  |                  |                 |
| 21       |  |                                |                  |                  |                 |
| 22       |  |                                |                  |                  |                 |
| 23       |  |                                |                  |                  |                 |
| 24       |  |                                |                  |                  |                 |
| 25       |  |                                |                  |                  |                 |
| 26       |  |                                |                  |                  |                 |
| 27       |  |                                |                  |                  |                 |
| 28       |  |                                |                  |                  |                 |
| 29       |  |                                |                  |                  |                 |
| 30       |  |                                |                  |                  |                 |
| 31       |  |                                |                  |                  |                 |
| 32       |  |                                |                  |                  |                 |
| 33       |  |                                |                  |                  |                 |
| 34       |  |                                |                  |                  |                 |
| 35       |  |                                |                  |                  |                 |
| 36       |  |                                |                  |                  |                 |
| 37       |  |                                |                  |                  |                 |
| 38       |  |                                |                  |                  |                 |
| 39       |  |                                |                  |                  |                 |
| 40       |  |                                |                  |                  |                 |

|  |   |  |  |
|--|---|--|--|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of <u>2012/Q4</u> |
|--|---|--|--|

SUBSTATIONS (Continued)

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

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

| Capacity of Substation<br>(In Service) (In MVA)<br>(f) | Number of<br>Transformers<br>In Service<br>(g) | Number of<br>Spare<br>Transformers<br>(h) | CONVERSION APPARATUS AND SPECIAL EQUIPMENT |                        |                                   | Line<br>No. |
|--|--|---|--|------------------------|-----------------------------------|-------------|
|  |  |   | Type of Equipment<br>(i)                   | Number of Units<br>(j) | Total Capacity<br>(In MVA)<br>(k) |             |
| 1200   | 15   | 2   | None                                       |                        |                                   | 1           |
|  |  |   |  |                        |                                   | 2           |
|  |  |   |  |                        |                                   | 3           |
|  |  |   | None                                       |                        |                                   | 4           |
|  |  |   |  |                        |                                   | 5           |
|  |  |   |  |                        |                                   | 6           |
|  |  |   |  |                        |                                   | 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          |

|  |   |  |  |
|--|---|--|--|
| Name of Respondent<br>Ohio Valley Electric Corporation | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>12/31/2012 | Year/Period of Report<br>End of <u>2012/Q4</u> |
|--|---|--|--|

**TRANSACTIONS WITH ASSOCIATED (AFFILIATED) COMPANIES**

1. Report below the information called for concerning all non-power goods or services received from or provided to associated (affiliated) companies.
2. The reporting threshold for reporting purposes is \$250,000. The threshold applies to the annual amount billed to the respondent or billed to an associated/affiliated company for non-power goods and services. The good or service must be specific in nature. Respondents should not attempt to include or aggregate amounts in a nonspecific category such as "general".
3. Where amounts billed to or received from the associated (affiliated) company are based on an allocation process, explain in a footnote.

| Line No.  | Description of the Non-Power Good or Service (a)          | Name of Associated/Affiliated Company (b) | Account Charged or Credited (c) | Amount Charged or Credited (d) |
|-----------|---|---|---------------------------------|--------------------------------|
| <b>1</b>  | <b>Non-power Goods or Services Provided by Affiliated</b> |   |                                 |                                |
| 2         | Use and Maintenance of Railcars                           | American Electric Power                   | 401-10                          | 1,452,843                      |
| 3         | Purchase of Urea  | American Electric Power                   | 401-10                          | 2,551,780                      |
| 4         | Operation, Maint., Construction, and Engineering          | American Electric Power                   | 107, 401-20, 401-10             | 7,509,994                      |
| 5         |   |   |                                 |                                |
| 6         |   |   |                                 |                                |
| 7         |   |   |                                 |                                |
| 8         |   |   |                                 |                                |
| 9         |   |   |                                 |                                |
| 10        |   |   |                                 |                                |
| 11        |   |   |                                 |                                |
| 12        |   |   |                                 |                                |
| 13        |   |   |                                 |                                |
| 14        |   |   |                                 |                                |
| 15        |   |   |                                 |                                |
| 16        |   |   |                                 |                                |
| 17        |   |   |                                 |                                |
| 18        |   |   |                                 |                                |
| 19        |   |   |                                 |                                |
| <b>20</b> | <b>Non-power Goods or Services Provided for Affiliate</b> |   |                                 |                                |
| 21        | Use of OVEC Leased Railcars                               | American Electric Power                   | 401-10                          | 1,913,956                      |
| 22        |   |   |                                 |                                |
| 23        |   |   |                                 |                                |
| 24        |   |   |                                 |                                |
| 25        |   |   |                                 |                                |
| 26        |   |   |                                 |                                |
| 27        |   |   |                                 |                                |
| 28        |   |   |                                 |                                |
| 29        |   |   |                                 |                                |
| 30        |   |   |                                 |                                |
| 31        |   |   |                                 |                                |
| 32        |   |   |                                 |                                |
| 33        |   |   |                                 |                                |
| 34        |   |   |                                 |                                |
| 35        |   |   |                                 |                                |
| 36        |   |   |                                 |                                |
| 37        |   |   |                                 |                                |
| 38        |   |   |                                 |                                |
| 39        |   |   |                                 |                                |
| 40        |   |   |                                 |                                |
| 41        |   |   |                                 |                                |
| 42        |   |   |                                 |                                |

INDEX

| <u>Schedule</u>                                    | <u>Page No.</u> |
|--|-----------------|
| Accrued and prepaid taxes .....                    | 262-263         |
| Accumulated Deferred Income Taxes .....            | 234             |
|  | 272-277         |
| Accumulated provisions for depreciation of         |                 |
| common utility plant .....                         | 356             |
| utility plant .....                                | 219             |
| utility plant (summary) .....                      | 200-201         |
| Advances   |                 |
| from associated companies .....                    | 256-257         |
| Allowances .....                                   | 228-229         |
| Amortization                                       |                 |
| miscellaneous .....                                | 340             |
| of nuclear fuel .....                              | 202-203         |
| Appropriations of Retained Earnings .....          | 118-119         |
| Associated Companies                               |                 |
| advances from .....                                | 256-257         |
| corporations controlled by respondent .....        | 103             |
| control over respondent .....                      | 102             |
| interest on debt to .....                          | 256-257         |
| Attestation .....                                  | i               |
| Balance sheet                                      |                 |
| comparative .....                                  | 110-113         |
| notes to .....                                     | 122-123         |
| Bonds .....  | 256-257         |
| Capital Stock .....                                | 251             |
| expense .....                                      | 254             |
| premiums .....                                     | 252             |
| reacquired .....                                   | 251             |
| subscribed .....                                   | 252             |
| Cash flows, statement of .....                     | 120-121         |
| Changes  |                 |
| important during year .....                        | 108-109         |
| Construction                                       |                 |
| work in progress - common utility plant .....      | 356             |
| work in progress - electric .....                  | 216             |
| work in progress - other utility departments ..... | 200-201         |
| Control  |                 |
| corporations controlled by respondent .....        | 103             |
| over respondent .....                              | 102             |
| Corporation  |                 |
| controlled by .....                                | 103             |
| incorporated .....                                 | 101             |
| CPA, background information on .....               | 101             |
| CPA Certification, this report form .....          | i-ii            |

INDEX (continued)

| <u>Schedule</u>   | <u>Page No.</u> |
|---|-----------------|
| Deferred  |                 |
| credits, other .....  | 269             |
| debits, miscellaneous .....                                   | 233             |
| income taxes accumulated - accelerated                        |                 |
| amortization property .....                                   | 272-273         |
| income taxes accumulated - other property .....               | 274-275         |
| income taxes accumulated - other .....                        | 276-277         |
| income taxes accumulated - pollution control facilities ..... | 234             |
| Definitions, this report form .....                           | iii             |
| Depreciation and amortization                                 |                 |
| of common utility plant .....                                 | 356             |
| of electric plant .....                                       | 219             |
|   | 336-337         |
| Directors .....   | 105             |
| Discount - premium on long-term debt .....                    | 256-257         |
| Distribution of salaries and wages .....                      | 354-355         |
| Dividend appropriations .....                                 | 118-119         |
| Earnings, Retained .....                                      | 118-119         |
| Electric energy account .....                                 | 401             |
| Expenses  |                 |
| electric operation and maintenance .....                      | 320-323         |
| electric operation and maintenance, summary .....             | 323             |
| unamortized debt .....  | 256             |
| Extraordinary property losses .....                           | 230             |
| Filing requirements, this report form                         |                 |
| General information .....                                     | 101             |
| Instructions for filing the FERC Form 1 .....                 | i-iv            |
| Generating plant statistics                                   |                 |
| hydroelectric (large) .....                                   | 406-407         |
| pumped storage (large) .....                                  | 408-409         |
| small plants .....  | 410-411         |
| steam-electric (large) .....                                  | 402-403         |
| Hydro-electric generating plant statistics .....              | 406-407         |
| Identification .....  | 101             |
| Important changes during year .....                           | 108-109         |
| Income  |                 |
| statement of, by departments .....                            | 114-117         |
| statement of, for the year (see also revenues) .....          | 114-117         |
| deductions, miscellaneous amortization .....                  | 340             |
| deductions, other income deduction .....                      | 340             |
| deductions, other interest charges .....                      | 340             |
| Incorporation information .....                               | 101             |

INDEX (continued)

| <u>Schedule</u>   | <u>Page No.</u> |
|---|-----------------|
| Interest  |                 |
| charges, paid on long-term debt, advances, etc .....    | 256-257         |
| Investments   |                 |
| nonutility property .....                               | 221             |
| subsidiary companies .....                              | 224-225         |
| Investment tax credits, accumulated deferred .....      | 266-267         |
| Law, excerpts applicable to this report form .....      | iv              |
| List of schedules, this report form .....               | 2-4             |
| Long-term debt .....                                    | 256-257         |
| Losses-Extraordinary property .....                     | 230             |
| Materials and supplies .....                            | 227             |
| Miscellaneous general expenses .....                    | 335             |
| Notes   |                 |
| to balance sheet .....                                  | 122-123         |
| to statement of changes in financial position .....     | 122-123         |
| to statement of income .....                            | 122-123         |
| to statement of retained earnings .....                 | 122-123         |
| Nonutility property .....                               | 221             |
| Nuclear fuel materials .....                            | 202-203         |
| Nuclear generating plant, statistics .....              | 402-403         |
| Officers and officers' salaries .....                   | 104             |
| Operating   |                 |
| expenses-electric .....                                 | 320-323         |
| expenses-electric (summary) .....                       | 323             |
| Other   |                 |
| paid-in capital .....                                   | 253             |
| donations received from stockholders .....              | 253             |
| gains on resale or cancellation of reacquired           |                 |
| capital stock .....                                     | 253             |
| miscellaneous paid-in capital .....                     | 253             |
| reduction in par or stated value of capital stock ..... | 253             |
| regulatory assets .....                                 | 232             |
| regulatory liabilities .....                            | 278             |
| Peaks, monthly, and output .....                        | 401             |
| Plant, Common utility                                   |                 |
| accumulated provision for depreciation .....            | 356             |
| acquisition adjustments .....                           | 356             |
| allocated to utility departments .....                  | 356             |
| completed construction not classified .....             | 356             |
| construction work in progress .....                     | 356             |
| expenses .....  | 356             |
| held for future use .....                               | 356             |
| in service .....  | 356             |
| leased to others .....                                  | 356             |
| Plant data .....  | 336-337         |
|   | 401-429         |

INDEX (continued)

| <u>Schedule</u>   | <u>Page No.</u> |
|---|-----------------|
| Plant - electric  |                 |
| accumulated provision for depreciation .....                | 219             |
| construction work in progress .....                         | 216             |
| held for future use .....                                   | 214             |
| in service .....  | 204-207         |
| leased to others .....                                      | 213             |
| Plant - utility and accumulated provisions for depreciation |                 |
| amortization and depletion (summary) .....                  | 201             |
| Pollution control facilities, accumulated deferred          |                 |
| income taxes .....  | 234             |
| Power Exchanges .....                                       | 326-327         |
| Premium and discount on long-term debt .....                | 256             |
| Premium on capital stock .....                              | 251             |
| Prepaid taxes .....   | 262-263         |
| Property - losses, extraordinary .....                      | 230             |
| Pumped storage generating plant statistics .....            | 408-409         |
| Purchased power (including power exchanges) .....           | 326-327         |
| Reacquired capital stock .....                              | 250             |
| Reacquired long-term debt .....                             | 256-257         |
| Receivers' certificates .....                               | 256-257         |
| Reconciliation of reported net income with taxable income   |                 |
| from Federal income taxes .....                             | 261             |
| Regulatory commission expenses deferred .....               | 233             |
| Regulatory commission expenses for year .....               | 350-351         |
| Research, development and demonstration activities .....    | 352-353         |
| Retained Earnings   |                 |
| amortization reserve Federal .....                          | 119             |
| appropriated .....  | 118-119         |
| statement of, for the year .....                            | 118-119         |
| unappropriated .....  | 118-119         |
| Revenues - electric operating .....                         | 300-301         |
| Salaries and wages  |                 |
| directors fees .....  | 105             |
| distribution of .....                                       | 354-355         |
| officers' .....   | 104             |
| Sales of electricity by rate schedules .....                | 304             |
| Sales - for resale .....                                    | 310-311         |
| Salvage - nuclear fuel .....                                | 202-203         |
| Schedules, this report form .....                           | 2-4             |
| Securities  |                 |
| exchange registration .....                                 | 250-251         |
| Statement of Cash Flows .....                               | 120-121         |
| Statement of income for the year .....                      | 114-117         |
| Statement of retained earnings for the year .....           | 118-119         |
| Steam-electric generating plant statistics .....            | 402-403         |
| Substations .....   | 426             |
| Supplies - materials and .....                              | 227             |

INDEX (continued)

Schedule

Page No.

Taxes

|  |         |
|--|---------|
| accrued and prepaid .....                                  | 262-263 |
| charged during year .....                                  | 262-263 |
| on income, deferred and accumulated .....                  | 234     |
|  | 272-277 |
| reconciliation of net income with taxable income for ..... | 261     |

|                                     |     |
|-------------------------------------|-----|
| Transformers, line - electric ..... | 429 |
|-------------------------------------|-----|

Transmission

|                                 |         |
|---------------------------------|---------|
| lines added during year .....   | 424-425 |
| lines statistics .....          | 422-423 |
| of electricity for others ..... | 328-330 |
| of electricity by others .....  | 332     |

Unamortized

|                       |         |
|-----------------------|---------|
| debt discount .....   | 256-257 |
| debt expense .....    | 256-257 |
| premium on debt ..... | 256-257 |

|  |     |
|--|-----|
| Unrecovered Plant and Regulatory Study Costs ..... | 230 |
|--|-----|