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## **NEWS RELEASE**

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### **PSC Approves Electric Power Restoration Agreement** *Will permit rapid transfer of equipment during outages or other emergencies*

**FRANKFORT, Ky. (Feb. 22, 2018)** – The Kentucky Public Service Commission (PSC) has approved an agreement that will allow participating electric utilities to respond more rapidly to power outages and other emergencies by giving them greater flexibility to transfer equipment to each other.

In an order issued today, the PSC agreed to pre-approve emergency transfers of large electric transmission system transformers with a value of more than \$1 million. State law requires PSC approval of equipment sales or purchases in excess of \$1 million.

The pre-approval, which extends to four Kentucky utilities under PSC jurisdiction, will expedite the transfer of utility-owned transformers in connection with the Regional Equipment Sharing for Transmission Outage Restoration, or RESTORE, agreement. The agreement extends as well to other, less expensive equipment such as circuit breakers.

The RESTORE agreement was initiated in 2016 by Kentucky Utilities Co. (KU), Louisville Gas & Electric Co. (LG&E), PPL Electric Utilities, the Southern Company, and the Tennessee Valley Authority. KU, LG&E and PPL are sister companies within PPL Corp.

A total of 28 utilities in the South and Midwest now participate in the RESTORE agreement. Other Kentucky companies include Duke Energy Kentucky and East Kentucky Power Cooperative, both of which joined KU and LG&E in seeking PSC approval.

In the event of an outage or other event that threatens a utility's transmission system, the RESTORE agreement gives participating utilities the ability to quickly obtain the equipment needed to complete repairs. Because large transformers typically need to be ordered far in advance, the ability to purchase spares from other utilities without seeking PSC approval will greatly speed restoration, the utilities said in their application to the PSC.

The utilities stated in their application that the RESTORE agreement and the pre-approval of transformer transfers would give them "access to spare infrastructure necessary to restore the transmission grid in a timely manner following disruption caused by a catastrophic event."

The RESTORE agreement sets out the terms of any transactions, including matters such as shipping costs and tax liabilities. In today's order, the PSC required utilities to report within 30 days any transfers or acquisitions made under the agreement.

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The PSC approval also extends to the purchase of spare or replacement transformers if a participating utility in Kentucky provides equipment to another utility through the RESTORE agreement.

Today's order and other documents in the case are available on the PSC website, [psc.ky.gov](http://psc.ky.gov). The case number is 2017-00410.

The PSC is an independent agency attached for administrative purposes to the Energy and Environment Cabinet. It regulates more than 1,500 gas, water, sewer, electric and telecommunication utilities operating in Kentucky.

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