

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

<b>JOINT APPLICATION OF DUKE ENERGY</b>	)	
<b>KENTUCKY, INC., EAST KENTUCKY</b>	)	
<b>POWER COOPERATIVE, INC.,</b>	)	
<b>KENTUCKY UTILITIES COMPANY, AND</b>	)	
<b>LOUISVILLE GAS AND ELECTRIC</b>	)	<b>CASE NO. 2017-00410</b>
<b>COMPANY FOR APPROVAL OF</b>	)	
<b>TRANSACTIONS RELATED TO THE</b>	)	
<b>RESTORE AGREEMENT</b>	)	

**JOINT APPLICATION**

Duke Energy Kentucky, Inc. (“Duke”), East Kentucky Power Cooperative, Inc. (“EKPC”), Kentucky Utilities Company (“KU”), and Louisville Gas and Electric Company (“LG&E”) (collectively, the “Applicants”) respectfully petition the Kentucky Public Service Commission (“Commission”) by application pursuant to 807 KAR 5:001 § 8 and KRS 278.218 to issue an order pre-approving the sale or purchase of utility-owned transformers with original book values in excess of \$1,000,000 which the Applicants may undertake pursuant to their participation in the Agreement for Regional Equipment Sharing for Transmission Outage Restoration (the “RESTORE Agreement”).

Granting pre-approval of these transactions related to the RESTORE Agreement will permit the Applicants to participate in and benefit from a program designed to ensure that utilities in the Applicants’ region have access to spare infrastructure necessary to restore the transmission grid in a timely manner following disruption caused by a catastrophic event. The Applicants will commit to notifying the Commission of the details of any transaction within 30 days of a transfer of an asset with an original book value of \$1,000,000 or more. In addition, such a pre-approval order and reporting process would be consistent with the approach approved in the Commission’s orders in Case Nos. 2007-00012 and 2007-00023, which pre-approved

certain transactions pursuant to an agreement whereby participating utilities across the country – including KU and LG&E – allocated a spare transformer(s) that could be transferred to another participating utility if an act of terrorism resulted in the destruction or long-term disabling of that utility’s electric transmission substations,<sup>1</sup> and the Commission’s order in Case No. 2017-00038, which pre-approved the transfer of assets at net book value between KU and LG&E when necessary to restore or maintain safe and reliable service and when there is inadequate time to seek prior Commission approval for the specific transfer.<sup>2</sup>

In support of this Application, the Applicants state as follows:

1. Applicant Duke’s full name and post office address are: Duke Energy Kentucky, Inc., 139 East Fourth Street, Cincinnati, Ohio 45202. Duke’s local office in Kentucky is Duke Energy Envision Center, 4580 Olympic Boulevard, Erlanger, Kentucky 41018.

2. Applicant EKPC’s full name and post office address are: East Kentucky Power Cooperative, Inc., Post Office Box 707, Winchester, Kentucky 40392-0707.

3. Applicant KU’s full name and business address are: Kentucky Utilities Company, One Quality Street, Lexington, Kentucky 40507. KU’s mailing address is Kentucky Utilities Company c/o Louisville Gas and Electric Company, 220 West Main Street, Post Office Box 32010, Louisville, Kentucky 40232.

4. Applicant LG&E’s full name and post office address are: Louisville Gas and Electric Company, 220 West Main Street, Post Office Box 32010, Louisville, Kentucky 40232.

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<sup>1</sup> *In the Matter of: Joint Petition of Louisville Gas and Electric Company and Kentucky Utilities Company for Approval of a Spare Transformer Sharing Agreement and Transactions Entered Into Under Said Agreement*, Case No. 2007-00012, Order (Ky. Pub. Serv. Comm’n March 6, 2007); *In the Matter of: Petition of Kentucky Power Company for Approval of Spare Transformer Sharing Agreement and Transactions Agreement*, Case No. 2007-00023, Order (Ky. Pub. Serv. Comm’n Feb. 7, 2007).

5. The Applicants may be reached by electronic mail at the electronic mail addresses of their counsel set forth below.

6. Duke is incorporated in the Commonwealth of Kentucky and attests that it is in good corporate standing. Duke was incorporated in Kentucky on March 20, 1901. Duke is wholly owned by Duke Energy Corporation. Duke is a public utility, as defined in KRS 278.010(3)(a), engaged in the electric and gas business in Boone, Bracken, Campbell, Gallatin, Grant, Kenton, and Pendleton Counties.

7. EKPC is incorporated in the Commonwealth of Kentucky and attests that it is in good corporate standing. EKPC was incorporated in Kentucky on July 9, 1941. EKPC is a not-for-profit, rural electric cooperative corporation established under KRS Chapter 279. EKPC is a public utility, as defined in KRS 278.010(3)(a), and a generation and transmission cooperative, as defined in KRS 278.010(9). Each of EKPC's sixteen Owner-Members is a public utility, as defined by KRS 278.010(3)(a), a distribution cooperative, as defined by KRS 278.010(10), and a retail electric supplier, as defined by KRS 278.010(4). EKPC provides electric generation capacity and electric energy to its sixteen Owner-Member distribution cooperatives, which in turn serve approximately 530,000 Kentucky homes, farms, and commercial and industrial establishments in eighty-seven Kentucky counties.

8. KU is incorporated in the Commonwealth of Kentucky and the Commonwealth of Virginia. KU attests that it is in good corporate standing in both states. KU was incorporated in Kentucky on August 17, 1912, and in Virginia on November 26, 1991. KU is wholly owned by LG&E and KU Energy LLC, a first tier wholly-owned subsidiary of PPL Corporation. KU is a public utility, as defined in KRS 278.010(3)(a), engaged in the electric business. KU generates

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<sup>2</sup> *In the Matter of: Joint Application of Kentucky Utilities Company and Louisville Gas and Electric Company for a*

and purchases electricity, and distributes and sells electricity at retail in the following counties in Central, Northern, Southeastern, and Western Kentucky:

Adair	Edmonson	Jessamine	Ohio
Anderson	Estill	Knox	Oldham
Ballard	Fayette	Larue	Owen
Barren	Fleming	Laurel	Pendleton
Bath	Franklin	Lee	Pulaski
Bell	Fulton	Lincoln	Robertson
Bourbon	Gallatin	Livingston	Rockcastle
Boyle	Garrard	Lyon	Rowan
Bracken	Grant	Madison	Russell
Bullitt	Grayson	Marion	Scott
Caldwell	Green	Mason	Shelby
Campbell	Hardin	McCracken	Spencer
Carlisle	Harlan	McCreary	Taylor
Carroll	Harrison	McLean	Trimble
Casey	Hart	Mercer	Union
Christian	Henderson	Montgomery	Washington
Clark	Henry	Muhlenberg	Webster
Clay	Hickman	Nelson	Whitley
Crittenden	Hopkins	Nicholas	Woodford
Daviess			

9. LG&E is incorporated in the Commonwealth of Kentucky and attests that it is in good corporate standing. LG&E was incorporated in Kentucky on July 2, 1913. LG&E is wholly owned by LG&E and KU Energy LLC, a first tier wholly-owned subsidiary of PPL Corporation. LG&E is a public utility, as defined in KRS 278.010(3)(a), engaged in the electric and gas business. LG&E generates and purchases electricity, and distributes and sells electricity at retail in Jefferson County and portions of Bullitt, Hardin, Henry, Meade, Oldham, Shelby, Spencer, and Trimble Counties. LG&E also purchases, stores and transports natural gas and distributes and sells natural gas at retail in Jefferson County and portions of Barren, Bullitt, Green, Hardin, Hart, Henry, Larue, Marion, Meade, Metcalfe, Nelson, Oldham, Shelby, Spencer, Trimble, and Washington Counties.

10. Pursuant to KRS 278.380, the Applicants waive any right to service of Commission orders by mail for purposes of this proceeding only. Copies of all orders, pleadings and other communications related to this proceeding should be directed to:

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11. This Joint Petition is made pursuant to KRS 278.218. That statute provides, in relevant part, that: (1) “No person shall acquire or transfer ownership of or control, or the right to control, any assets that are owned by a utility as defined under KRS 278.010(3)(a) without prior approval of the commission, if the assets have an original book value of one million dollars (\$1,000,000) or more and (a) [t]he assets are to be transferred by the utility for reasons other than obsolescence; or (b) [t]he assets will continue to be used to provide the same or similar service to the utility or its customers.”<sup>3</sup>

12. On or about September 15, 2017 the Applicants entered into the RESTORE Agreement with the following utilities in the region (the “Participants”):

Associated Electric Cooperative Inc.	Florida Power & Light Company
Ameren Services Company	International Transmission Company
American Transmission Company LLC	ITC Midwest LLC
Duke Energy Carolinas, LLC	LG&E and KU Energy LLC
Duke Energy Florida, LLC	Michigan Electric Transmission Company LLC
Duke Energy Indiana, LLC	PowerSouth Energy Cooperative
Duke Energy Kentucky, Inc.	PPL Electric Utilities Corporation (“PPLEU”)
Duke Energy Ohio, Inc.	South Carolina Electric & Gas Company
Duke Energy Progress, LLC	South Carolina Public Service Authority
Duquesne Light Company	
East Kentucky Power Cooperative, Inc.	Southern Company Services, Inc.
Entergy Services, Inc.	Tennessee Valley Authority

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<sup>3</sup> The RESTORE Participants who are within the Federal Energy Regulatory Commission’s (“FERC”) jurisdiction will also be filing an application for approval of certain aspects of the RESTORE Agreement at FERC. The Applicants will file a copy of that FERC application with the Commission promptly after it has been filed.

13. A copy of the RESTORE Agreement is attached hereto as Exhibit 1. The Applicants' rights and obligations under the RESTORE Agreement are subject to any necessary regulatory approvals, including the approval requested in this Joint Application.<sup>4</sup>

14. The Participants have voluntarily agreed to form a group for the purpose of sharing certain classes of spare transformers ("Spare Transformers"),<sup>5</sup> along with less costly components such as circuit breakers, under agreed-upon financial provisions, during a Triggering Event, which is defined as a "catastrophic event creating an urgent grid need in which, for an extended period of time, a Participant loses its ability to serve significant load, is at risk for losing significant load, or cannot maintain grid stability."<sup>6</sup> The RESTORE Agreement recognizes potential threats and the risk of significant damage to the nation's energy resources, in particular the electric power grid, and is also consistent with a response to a 2015 Department of Energy recommendation that "[a]pproaches for mitigation this risk [associated with loss of transformers] should include the development of one or more transformer reserves through a staged process."<sup>7</sup> In fact, the subsequent 2017 Department of Energy Report to Congress listed the RESTORE Agreement as an example of a collaborative industry initiative to encourage.<sup>8</sup> Because transformer purchases are subject to long lead times, the ability to quickly purchase a suitable transformer upon a Triggering Event is a benefit generally not available absent agreements like the RESTORE Agreement.

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<sup>4</sup> RESTORE Agreement Section II B at 4-5. *See also*, RESTORE Agreement Section III B at 6-7.

<sup>5</sup> RESTORE Agreement Section I II at 4 ("Spare Transformer" means a transformer that is a Spare Equipment. A Spare transformer may include a transformer then in service on the Participant's system, provided the Participant operates and maintains the Spare transformer in accordance with Prudent Utility Practices.)

<sup>6</sup> *Id.* at Section I JJ at 4.

<sup>7</sup> Department of Energy, Quadrennial Energy Review: Energy Transmission, Storage, and Distribution Infrastructure, Summary at 13 (April 2015), available at [https://energy.gov/sites/prod/files/2015/04/f22/QER-ALL%20FINAL\\_0.pdf](https://energy.gov/sites/prod/files/2015/04/f22/QER-ALL%20FINAL_0.pdf) (accessed April 25, 2017)

<sup>8</sup> Department of Energy, Strategic Transformer Reserve, at 20 (March 2017), available at <https://energy.gov/sites/prod/files/2017/04/f34/Strategic%20Transformer%20Reserve%20Report%20->

15. The Applicants and other Participants have agreed to commit Spare Transformers, along with less costly components such as circuit breakers, with each utility participating in any or all designated voltage or equipment classes as it deems appropriate, so that if a Triggering Event occurs, an affected member of any particular class has the ability to purchase Spare Transformers and other components committed by other members of that class. Pursuant to the RESTORE Agreement, the purchase price is the replacement cost, including transportation and other acquisition costs, plus any reasonable costs and expenses of the seller, including shipping costs if the seller decides to offer transportation services, and tax liability attributable to the sale.<sup>9</sup> Thus, any seller will be made whole for any transformer or component sold under the RESTORE Agreement.

16. The Applicants determined that participation at their respective levels will allow the Applicants to meet their obligations under the RESTORE Agreement with existing assets, and would not require the purchase of additional transformer stock beyond that which is otherwise maintained on hand for service to the Applicants' native load.

17. In addition, the RESTORE Agreement does not affect Duke's, KU's, or LG&E's existing arrangements or regulatory commitments for transferring assets among their respective affiliated entities because the RESTORE Agreement expressly states that participants may use their equipment for their own needs or needs of their affiliates, notwithstanding their obligations under the RESTORE Agreement.<sup>10</sup>

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%20FINAL.pdf (accessed June 12, 2017) ("Likewise cooperative efforts and mutual assistance arrangements such as STEP and RESTORE could be encouraged.")

<sup>9</sup> RESTORE Agreement Appendix D Article 1.1 and 2.2.

<sup>10</sup> RESTORE Agreement Section III C 3 ("For avoidance of doubt, nothing in this Agreement prohibits a Participant from using designated Spare Equipment for its (or its Affiliate's) own internal needs[.]"); *See also* RESTORE Agreement Section IV C 2 ("Notwithstanding each Participant's obligation to sell Spare Equipment to affected Participants following a Triggering Event, any Participant who is affected, or has one or more Affiliates who are affected, by the same Triggering Event will be permitted to use its own Spare Equipment for that Participant's (or its Affiliate's) own bona fide internal needs arising from the Triggering Event(and the terms of the Purchase and Sale

## KU and LG&E

KU and LG&E will not use the RESTORE Agreement for transactions with their affiliates. The sale of goods between LG&E, KU, and PPLEU will continue to be priced at fully-distributed cost as required by the *Amended and Restated Utility Services Agreement and Cost Allocation Manual*, which were most recently filed with the Commission in Case Nos. 2016-00370 and 2016-00371, and approved by the Virginia State Corporation Commission in Case No. PUE-2015-00126. In addition, the transfer of assets with an original book value of \$1,000,000 or more between LG&E and KU in emergency circumstances must be priced at fully-distributed cost in accordance with the Commission's order in Case No. 2017-00038, which approved KU and LG&E's request to pre-approve asset transfers between KU and LG&E when there is inadequate time to seek prior Commission approval for the specific transfer necessary to restore service in a timely manner. KU and LG&E recognize that they need additional approval, under KRS 278.218, to transfer assets with an original book value of \$1,000,000 or more between KU and PPLEU or LG&E and PPLEU and reserve the right to seek approval similar to that which they obtained in Case No. 2017-00038 with respect to transfers between KU and LG&E.

## Duke

Duke is a party to several Commission-approved affiliate agreements that allow various services and goods to be provided at fully allocated costs between and among Duke's regulated utility affiliates. The Commission has reviewed and approved these services agreements in several cases, including: 1) Case No. 2005-00228, involving the merger between Duke Energy

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Agreement shall not apply to such use), but will be obligated to sell all remaining Spare Equipment to other affected Participants who exercise Call Rights in accordance with the terms and conditions of this Agreement. ”)

and Cinergy Corp.;<sup>11</sup> 2) Case No. 2011-00124, involving the merger between Duke Energy and Progress Energy;<sup>12</sup> and most recently, 3) Case No. 2016-00312 to incorporate the recently acquired Piedmont Natural Gas Company as an affiliate.<sup>13</sup> Duke does not intend this RESTORE Agreement to supplant any of these existing agreements, but rather to act as additional authority for transactions that are not otherwise covered by these existing agreements. Duke recognizes that it currently must obtain approval, under KRS 278.218, to transfer assets with an original book value of \$1,000,000 or more between its affiliates, and intends this RESTORE Agreement to act as such approval for transactions occurring in accordance with the terms of the RESTORE Agreement unless and until Duke seeks Commission authorization to engage in affiliate transfers under different terms and conditions in the future.

18. Under the initial provisions of the RESTORE Agreement, the Applicants and Participants have agreed to initially commit certain transformers.<sup>14</sup> If a Participant sells a committed transformer under the RESTORE Agreement, the Participant is required to commit a comparable transformer in its inventory or acquire and commit a replacement transformer.<sup>15</sup> Therefore, transformers not initially committed might be committed, sold, and purchased under the terms of the RESTORE Agreement. The original book value of any transformer that might be

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<sup>11</sup> *In the Matter the Joint Application of Duke Energy Corporation, Duke Energy Holding Corp., Deer Acquisition Corp., Cougar Acquisition Corp., Cinergy Corp, the Cincinnati Gas & Electric Company and the Union Light, Heat and Power Company for Approval of a Transfer and Acquisition of Control*, Case No. 2005-00228, Order (Ky. Pub. Serv. Comm'n Nov. 29, 2005).

<sup>12</sup> *In the Matter the Joint Application of Duke Energy Corporation, Cinergy Corp., Duke Energy Ohio, Inc., Duke Energy Kentucky, Inc., Diamond Acquisition Corporation, and Progress Energy, Inc., for Approval of the Indirect Transfer of Control of Duke Energy Kentucky, Inc.*, Case No. 2011-00124, Order (Ky. Pub. Serv. Comm'n Oct. 28, 2011).

<sup>13</sup> *In the Matter of the Electric Application of Duke Energy Kentucky, Inc. for Deviation from Affiliate Pricing Requirements and to Amend its Existing Service Agreements to Include Piedmont Natural Gas Company as a Party*, Case No. 2016-00312, Order (Ky. Pub. Serv. Comm'n June 1, 2017).

<sup>14</sup> RESTORE Agreement at 24. Because the transformers committed by Participants are subject to change and due to security concerns associated with publicizing sensitive details related to the transformers, the Parties are not disclosing the specific transformers initially committed. Those transformers are listed on Appendix B to the RESTORE Agreement, but the Parties have omitted that Appendix B from the copy of the RESTORE Agreement attached as Exhibit 1 here.

called and sold as a result of a Triggering Event occurrence is expected to exceed one million dollars (\$1,000,000). The pre-approval requested by the Applicants is not limited to the transformers currently committed pursuant to the RESTORE Agreement; rather, the Applicants request the Commission pre-approve the sale or purchase of any currently- or prospectively-committed utility-owned transformers with original book values of \$1,000,000 or more which the Applicants may undertake pursuant to the RESTORE Agreement. The Applicants have not committed any other components with an original book value of \$1,000,000 or more.

19. In the event a Spare Transformer or component is called and sold by any of the Applicants, the Applicants anticipate that they would be able to obtain a replacement transformer or component from market within a reasonable time frame, and therefore the Applicants' ability to provide service to their native load is not expected to be compromised in any way by participation in the RESTORE Agreement. In addition, if an Applicant sells a transformer or component to a Participant, and thereafter needs to obtain a replacement transformer or component due to an urgent grid need in which, for an extended period of time, the Applicant loses its ability to serve significant load, is at imminent risk for losing significant load, or cannot maintain grid stability, the Applicant would be able to use the RESTORE Agreement to call and purchase the necessary transformer or component, if available.<sup>16</sup>

20. By entering into the RESTORE Agreement, the Applicants have granted to the other class signatories under the RESTORE Agreement certain conditional rights to purchase the Spare Transformer identified by the Applicants as set forth above, subject to each Applicant obtaining necessary regulatory approvals. The Applicants anticipate that any transformer that they might sell or purchase pursuant to the RESTORE Agreement might require approval under

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<sup>15</sup> *Id.* at Section III C 4.

KRS 278.218, if the transformer is owned by a utility as defined under KRS 278.010(3)(a) and has an original book value of one million dollars (\$1,000,000) or more. However, because such sale or purchase would only occur in the face of a Triggering Event, which would constitute a sudden, emergent occurrence created by a defined catastrophic event, the need to obtain Commission approval at the time of sale or purchase would unduly burden, and perhaps even adversely affect, the timely restoration of service which is intended to be facilitated by this RESTORE Agreement. Accordingly, and because the terms and conditions of any transaction under the RESTORE Agreement are sufficiently known at this time, the Applicants are seeking approval now for any transformer sale or purchase which may occur in the future under the RESTORE Agreement. The Applicants have not committed any other components with an original book value of \$1,000,000 or more and therefore do not need approval pursuant to KRS 278.218 prior to selling or purchasing such components.

21. In the event that any of the Applicants were to be directly affected by a catastrophic event that would act as a Triggering Event, and would thereafter purchase a transformer from a Participant that is not a utility as defined under KRS 278.010(3)(a), Commission approval would not be required at that time, and therefore such approval is not being sought in this Joint Application.

22. Under KRS 278.218, approval of this Joint Application is appropriate if the transactions at issue are for a proper purpose and are consistent with the public interest. Here, the Applicants' sale or purchase of any Spare Transformer, should a Triggering Event occur in the future, will be for a proper purpose and consistent with the public interest because such transactions make readily available certain levels of Spare Transformers to be purchased on

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<sup>16</sup> *Id.* at Section IV B 1.

reasonable terms in the event of a defined catastrophic event. But for this RESTORE Agreement, the Applicants and other Participants would generally be left to look only to the market to purchase needed transformers or components. The potential disruptions to infrastructure and normal market conditions caused by a catastrophic event could lead to delays in restoration of service that may be lessened, or altogether avoided, through the cooperative effort set forth in the RESTORE Agreement. Through this RESTORE Agreement, the Applicants' customers, and the larger transmission grid across the country, have an added protection.

23. Under KRS 278.218, the Commission is required to grant approval if the transfer is for a proper purpose and consistent with the public interest. The Applicants anticipate that situations could arise when (1) reliability and safety concerns would require immediate action and (2) procuring assets from the market or obtaining pre-approval from the Commission upon a Triggering Event would present reliability risks or challenges to operating the Applicants' systems and the other Participants' systems. Such transfers will be for a proper purpose and consistent with the public interest because they will only be made when necessary to ensure the continued safe and reliable operation of the Applicants' systems and the other Participants' systems and allow the Applicants and other Participants to avoid the increased delay and concerns of purchasing a suitable asset in the market. Because time is of the essence when safety and reliability concerns are present, obtaining standing approval will permit the Applicants and other Participants to make these necessary transfers without obtaining approval from the Commission on a transaction-by-transaction basis.

24. To ensure the Commission is aware of transfers made pursuant to the requested authority, the Applicants will commit to notifying the Commission of the details of any transaction within 30 days of a transfer of an asset with an original book value of \$1,000,000 or

more and owned by a utility as defined under KRS 278.010(3)(a).<sup>17</sup> All costs related to these transactions will continue to be subject to review pursuant to the Commission's plenary jurisdiction over the Applicants' rates and service.

25. The Commission previously granted KU and LG&E authority to transfer spare transformers to non-affiliated entities in the event of a terrorist attack.<sup>18</sup> Pursuant to the agreement at issue there, KU, LG&E, and other participating utilities in the region designated spare transformers that could be transferred to another participating utility if an act of terrorism resulted in the destruction or long-term disabling of that utility's electric transmission substations.<sup>19</sup> The Commission pre-approved the transactions pursuant to KRS 278.218, finding that "the proposed transfers, replacements, acquisitions, and related accounting treatment of and for spare transformers as noted in the Agreement are for a proper purpose and consistent with the public interest and should be approved."<sup>20</sup> In addition, the Commission recently granted KU and LG&E authority to transfer assets at net book value between KU and LG&E when necessary to restore or maintain safe and reliable service and when there is inadequate time to seek prior Commission approval for the specific transfer.<sup>21</sup> The pre-approval authority the Applicants are requesting in this proceeding would likewise be necessary to ensure the continued safe and reliable operation of their electrical systems and the larger transmission grid across the country.

**WHEREFORE**, Duke Energy Kentucky, Inc., East Kentucky Power Cooperative, Inc., Kentucky Utilities Company, and Louisville Gas and Electric Company respectfully ask the Commission to issue an Order, granting their Joint Application herein, pre-approving the sale or

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<sup>17</sup> The proposed reporting requirement is consistent with the reporting requirement approved in Case Nos. 2007-00012 and 2017-00038.

<sup>18</sup> Case No. 2007-00012, Order (Ky. Pub. Serv. Comm'n March 6, 2007).

<sup>19</sup> *Id.* at 1.

<sup>20</sup> *Id.* at 3.

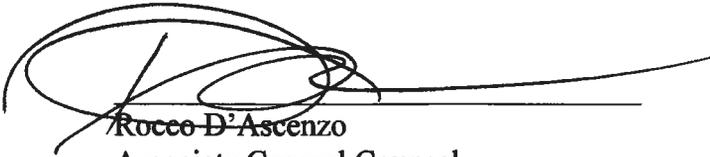
<sup>21</sup> Case No. 2017-00038, Order (Ky. Pub. Serv. Comm'n Aug. 1, 2017).

purchase of utility-owned transformers with original book values in excess of \$1,000,000 which the Applicants might undertake in the future pursuant to the terms of the Agreement for Regional Equipment Sharing for Transmission Outage Restoration.

[Signature Pages Follow]

Dated: 10/11, 2017

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Rocco D'Ascenzo', written over a horizontal line.

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Dated: October 10, 2017

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*Counsel for East Kentucky Power  
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Dated: October 13, 2017

Respectfully submitted,



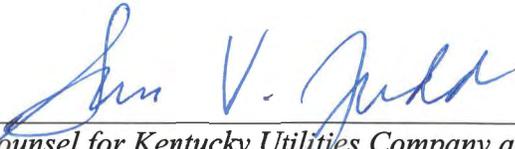
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*Counsel for Kentucky Utilities Company and Louisville Gas and Electric Company*

**CERTIFICATE OF COMPLIANCE**

This is to certify that Duke Energy Kentucky, Inc., East Kentucky Power Cooperative, Inc., Kentucky Utilities Company, and Louisville Gas and Electric Company's 10/13, 2017 electronic filing of their Joint Application is a true and accurate copy of the same document being filed in paper medium; that the electronic filing has been transmitted to the Commission on 10/13, 2017; that there are currently no parties that the Commission has excused from participation by electronic means in these proceedings; and that an original of the Application in this proceeding, in paper medium, will be delivered to the Commission within two business days.

  
\_\_\_\_\_  
*Counsel for Kentucky Utilities Company and  
Louisville Gas and Electric Company*