



For Immediate Release

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**Eight Utilities and Energy Companies Announce Plans for
Critical Transmission Equipment Service Company**

Grid Assurance™ designed to speed restoration and improve electric grid resiliency

COLUMBUS, Ohio, June 10, 2015 -- Eight electric utilities and energy companies today announced an initiative to provide improved responses to major events affecting the electric transmission grid by giving transmission-owning entities access to domestically warehoused long lead-time critical equipment.

Affiliates of American Electric Power (NYSE:AEP), Berkshire Hathaway Energy, Duke Energy (NYSE:DUK), Edison International (NYSE:EIX), Eversource Energy (NYSE:ES), Exelon (NYSE:EXC), Great Plains Energy (NYSE:GXP), and Southern Company (NYSE:SO) have signed a memorandum of understanding to pursue development of Grid Assurance™, a limited liability company that expects to offer subscribers cost-effective solutions for enhancing grid resiliency and protecting customers from prolonged transmission outages.

As proposed, Grid Assurance will own and provide subscribers with timely access to an inventory of emergency spare transmission equipment that can otherwise take months to acquire. Grid Assurance filed a petition with the Federal Energy Regulatory Commission (FERC) late yesterday seeking confirmation that this service can be part of a transmission-owning entity's strategy to effectively address grid resiliency mandates. Grid Assurance will not be FERC regulated, but plans to charge cost-based subscription fees, similar to FERC-regulated transmission formula rates. Cost-based subscription fees are expected to facilitate subscribers' ability to recover expenses.

Restoration of the transmission grid can be hampered by long lead times required to design, build and deliver critical replacement equipment including large transformers, circuit breakers and other specialized electrical equipment. As proposed, Grid Assurance will be more cost-effective than companies independently securing emergency spare equipment for high-impact, low-frequency events due to economies of scale, diversification and improved logistics.

Grid Assurance plans to own and maintain equipment at secure, strategically located warehouses to facilitate the equipment being placed in service faster than traditionally possible. Grid Assurance expects to offer additional logistics support to expedite transportation of equipment to impacted sites. Subscribers can call on equipment when they experience certain events, such as physical attacks, electromagnetic pulses, solar storms, cyberattacks, earthquakes and severe weather events. Grid

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Assurance can complement existing programs transmission owners have, and industry initiatives, like the

Spare Transformer Equipment Program (STEP) coordinated through the Edison Electric Institute, to enhance access to spare transformers and other equipment by providing a more comprehensive inventory of critical spare equipment.

Contingent on regulatory approvals, Grid Assurance is expected to begin accepting subscribers and identifying inventory in 2016.

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Editor's Note: Additional information about Grid Assurance is available at GridAssurance.com.

