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Commonwealth of Kentucky
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January 27, 2014

Travis Crump
Louisville Gas and Electric Company
220 West Main Street
Louisville, KY 40202

Re: Case No. 2013-00373

Dear Mr. Crump:

Attached is a copy of a memorandum which is being filed in the record of the above-referenced case. If you have any comments you would like to make regarding the contents of the memorandum concerning the January 17, 2014 informal conference, please do so within five days of receipt of this letter. If you have any questions, please contact Jonathan Beyer, Staff Attorney, at 502/782-2581.

Sincerely,



Jeff Derouen
Executive Director

Attachment

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File – Case No. 2013-00373

FROM: Jonathan Beyer, Staff Attorney

DATE: January 27, 2014

RE: Informal Conference of January 17, 2014

On January 17, 2014, pursuant to the Commission's Order dated December 10, 2013, an informal conference was held in this matter to discuss and address the issues presented in this case. A list of attendees is attached to this memorandum.

Beginning the conference, Mr. Ken Sheridan with Louisville Gas and Electric Company ("LG&E") presented demonstrative exhibits to explicate how the incident occurred. He stated that after severing the line in the Park E Z vault, colored tape was utilized to identify the cables to facilitate their later reconnection. However, when the cables were severed and then reconnected in the Juvenile vault, the phases were rolled; consequently upon being reconnected in the Park E Z vault without phase testing, an arc occurred.

LG&E personnel agreed that failing to phase test the line prior to reconnecting was an error and the victim, Mr. Newton received a five day suspension for violating LG&E's safety policy. Additionally, the failure to lock the vault was attributed to the crew's attention being on Mr. Newton after the incident. Mr. Sheridan further stated that Mr. Newton's failure to properly utilize his protective sleeves was improper and was a significant basis for Mr. Newton's suspension. However, counsel for LG&E, Ms. Allyson Sturgeon contended that Mr. Newton was not willfully working on two conductors when the incident occurred. Co-counsel, Mr. Travis Crump, also asserted that LG&E believed the ladder utilized in the vault complied with its safety manual, the intent of which was to require a dielectric ladder only in instances wherein the ladder was removable, but to otherwise permit a fixed metal ladder. Ms. Sturgeon stated that LG&E has amended its safety manual to plainly reflect this intent.

In addition to suspending Mr. Newton, LG&E has addressed the phasing issue at tailgate meetings, but because the omission in phase testing was a recognized error, LG&E deemed additional dedicated meetings on the topic unnecessary.

An agreement in principle was reached between LG&E and Staff to enter into a stipulation of facts and settlement in an effort to resolve all issues in this case. LG&E agreed to pay a monetary penalty in the amount of \$7,500 and to submit any available documentation stemming from post-accident meetings pertaining to proper phase testing. Finally, LG&E stated that it would submit a motion to suspend or cancel the January 29, 2014 hearing in this matter.

Finding that no party had any further questions, the conference was adjourned.

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

LOUISVILLE GAS AND ELECTRIC)
COMPANY)
_____))
ALLEGED FAILURE TO COMPLY WITH)
KRS 278.042)

CASE NO. 2013-00373

January 17, 2014

Please sign in:

NAME	REPRESENTING
<u>Jonathan Beyer</u>	<u>PSC-Legal</u>
<u>STEVE KINGSOLVER</u>	<u>PSC</u>
<u>Eric Bowman</u>	<u>PSC</u>
<u>Travis Crump</u>	<u>LG+E</u>
<u>Allyson Sturgison</u>	<u>LG+E</u>
<u>RICK LOEKAMP</u>	<u>LG+E</u>
<u>Sheri Gardner</u>	<u>LG+E</u>
<u>Ken Sheridan</u>	<u>LG&E</u>
<u>WK McBride</u>	<u>LG+E</u>
<u>RICHARD BARR</u>	<u>PSC LEGAL</u>