COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

KENTUCKY UTILITIES COMPANY

ALLEGED VIOLATION OF COMMISSION REGULATION 807 KAR 5:041, SECTION 3 CASE NO. 96-356

<u>ORDER</u>

On July 30, 1996, the Commission issued an Order directing Kentucky Utilities Company ("KU") to appear at a hearing scheduled for October 17, 1996 and be prepared to show cause why KU should not be penalized pursuant to KRS 278.990 for probable violation of Commission Regulation 807 KAR 5:041, Section 3.

An informal conference was held at the Commission on October 7, 1996 to discuss matters at issue in this proceeding. As a result of that conference, Commission Staff and KU are currently attempting to negotiate a settlement in this matter. The Commission therefore finds that the hearing scheduled for October 17, 1996 should be cancelled pending the outcome of these discussions.

IT IS THEREFORE ORDERED that the hearing scheduled for October 17, 1996 is cancelled, to be rescheduled at a later date if necessary.

Done at Frankfort, Kentucky, this 14th day of October, 1996.

ATTEST:

Mills

Executive Directo

PUBLIC SERVICE COMMISSION

For the Commissior