

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

LOUISVILLE GAS AND ELECTRIC
COMPANY

ALLEGED VIOLATION OF COMMISSION
REGULATIONS 807 KAR 5:006

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) CASE NO. 97-376
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ORDER

On September 17, 1997, the Commission issued an Order to Louisville Gas and Electric Company ("LG&E") to show cause why it should not be penalized for violations of 807 KAR 5:006, Section 24.

Commission Staff and LG&E reached an agreement resolving all issues in this matter. That agreement has been submitted for Commission approval. Under the agreement, LG&E admits violation of 807 KAR 5:006, Section 24, and agrees to the assessment of a penalty of \$5,000 payable as follows: \$1,500 upon approval of the settlement by the Commission, and the balance of \$3,500 suspended pending submission of a revised maintenance manual concerning ventilation for the work area of its condenser.

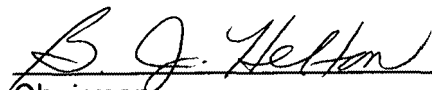
After reviewing the Settlement Agreement and being otherwise sufficiently advised, the Commission finds that the Settlement Agreement is in accordance with the law, does not violate any regulatory principle, results in a reasonable resolution of this case, and is in the public interest.

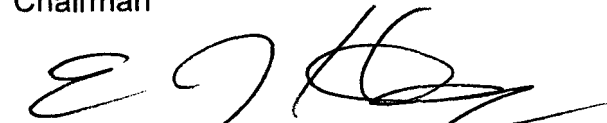
IT IS THEREFORE ORDERED that:

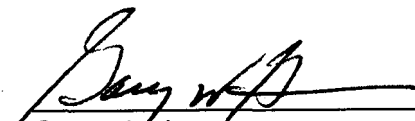
1. The Settlement Agreement is incorporated into this Order as if fully set forth herein.
2. The terms and conditions set forth in the Settlement Agreement are hereby adopted and approved.
3. Within 10 days of the date of this Order, LG&E shall pay to the Commonwealth of Kentucky the sum of \$1,500. This payment shall be in the form of a cashier's or certified check made payable to "Kentucky State Treasurer" and shall be mailed or delivered to: Office of General Counsel, Public Service Commission of Kentucky, 730 Schenkel Lane, P.O. Box 615, Frankfort, Kentucky 40602.
4. The balance of the penalty of \$3,500 is suspended under the condition that within 15 days from the date of this Order, LG&E shall submit for Commission approval a revised maintenance plan providing for sufficient ventilation by use of forced air devices for any maintenance being performed inside the Mill Creek Condenser.

Done at Frankfort, Kentucky, this 6th day of July, 1998.

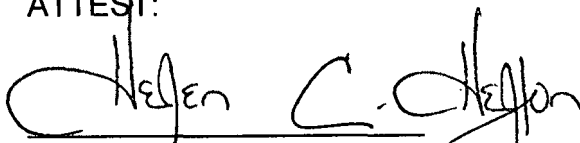
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

AN APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 97-376 DATED 7/6/98

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

LOUISVILLE GAS AND ELECTRIC
COMPANY

ALLEGED VIOLATION OF COMMISSION
REGULATION 807 KAR 5:006 AND 807 KAR
5:041

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CASE NO. 97-376

SETTLEMENT AGREEMENT

On October 24, 1997, an informal conference was held between Commission Staff and representatives of Louisville Gas and Electric Company ("LG&E"). At the conference, LG&E asserted that it had not violated any Commission regulations, but did not contest the failure to have adequate fall protection in place at the time of the accident. LG&E informed the Commission that it had been penalized by KY-OSH for the fall protection violation.

Based upon further negotiations with Staff, it was agreed that LG&E was in violation of 807 KAR 5:006, Section 24, by:

1. Failure to maintain adequate fall protection.
2. Inadequate maintenance procedures for cleaning the condenser.

It is agreed that a penalty of \$2,500 will be imposed for each of the above violations, being a total of \$5,000. However, a portion of that penalty is to be compromised and not payable under the following conditions:

1. LG&E shall pay \$1,500 within 10 days after the approval of this settlement by the Commission, by certified check payable to the Kentucky State Treasurer. The balance of \$3,500


is not payable if LG&E revises its written maintenance manual to provide for sufficient ventilation by use of forced air devices to the condenser maintenance area during any maintenance being performed inside the condenser. LG&E agreed to revise its maintenance procedures accordingly and to file a copy of said revision with the Commission.

2. It is agreed that LG&E has fall protection requirements in place under its Procedures for Cleaning the Mill Creek Unit 4 Condenser as revised April 27, 1997.

LOUISVILLE GAS AND ELECTRIC
COMPANY

PUBLIC SERVICE COMMISSION

By:



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