

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

KENTUCKY UTILITIES COMPANY)
)
_____) CASE NO. 98-275
)
ALLEGED VIOLATION OF ADMINISTRATIVE)
REGULATION 807 KAR 5:041, SECTION 3)

O R D E R

On May 27, 1998, the Commission directed Kentucky Utilities Company (AKU≅) to appear before it and show cause why it should not be penalized pursuant to KRS 278.990(1) for its alleged violation of Commission Regulation 807 KAR 5:041, Section 3. Following the commencement of this proceeding, KU and Commission Staff entered into negotiations to resolve all outstanding issues in this proceeding. On March 22, 1999, they executed a Settlement Agreement, appended hereto, and jointly moved for Commission approval of that Agreement.

In reviewing this Settlement Agreement, the Commission has considered, inter alia, the circumstances surrounding the June 19, 1997 incident, KU's efforts to comply with the Commission's safety regulations, and its willingness to improve and enhance its existing safety programs and operations. 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, appended hereto, is incorporated into this Order as if fully set forth herein.

2. The terms and conditions set forth in the Settlement Agreement are adopted and approved.

3. Within 10 days of the date of this Order, KU shall pay to the Commonwealth of Kentucky the sum of Fifteen Hundred Dollars (\$1,500). This payment shall be in the form of a cashier's or certified check made payable to ATreasurer, Commonwealth of Kentucky and shall be mailed or delivered to: Office of General Counsel, Public Service Commission of Kentucky, 730 Schenkel Lane, Post Office Box 615, Frankfort, Kentucky 40602.

4. This case is closed and shall be removed from the Commission's docket.

Done at Frankfort, Kentucky, this 16th day of April, 1999.

By the Commission

ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION
IN CASE NO. 98-275 DATED APRIL 16, 1999