

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

LOUISVILLE GAS AND ELECTRIC COMPANY)
)
_____) CASE NO. 99-338
)
FAILURE TO COMPLY WITH COMMISSION)
REGULATION 807 KAR 5:041, SECTION 3(1))

O R D E R

By Order dated August 17, 1999, the Commission directed Louisville Gas and Electric Company ("LG&E") to appear at a hearing on September 8, 1999 to show cause why it should not be subject to the penalties provided for under KRS 278.990 for four probable violations of Commission Regulation 807 KAR 5:041, Section 3(1), which requires utility facilities to be maintained in accordance with the National Electrical Safety Code, 1999 Edition ("NESC"). More specifically, the cited NESC violations were of Rule 420.H, which requires employees to use personal protective equipment; Rule 421.A, which requires the first-level supervisor or person in charge to adopt such precautions as are within the individual's authority to prevent accidents; Rule 444.C, which requires that when equipment or lines are to be de-energized all switches and disconnects through which electric energy may be supplied to the particular section of equipment or lines be rendered inoperable; and Rule 444.D, which requires the employee in charge to make protective grounds or verify that adequate grounds have been applied on the disconnected lines or equipment.

The probable violations arose from a March 8, 1999 accident at LG&E's Breckinridge Substation in Jefferson County, Kentucky. Three LG&E employees were working at the Substation and one of them positioned a ladder at disconnect 1351 and climbed up to inspect a 14 KV disconnect which was thought to have been de-energized. The disconnect was actually energized and, upon contact, the employee fell from the ladder and suffered burns to his hands and injuries from the fall.

At LG&E's request, the hearing was held in abeyance and an informal conference was convened to provide an opportunity to discuss the operative facts surrounding the accident. LG&E appeared at the conference and the discussion with Commission Staff resulted in the filing of a Stipulation of Facts and Agreement ("Stipulation") on February 28, 2000.

The Stipulation, attached hereto as Appendix A and incorporated herein by reference, sets forth the relevant facts surrounding the accident, discusses the remedial measures taken by LG&E since that time, and provides for LG&E to pay a civil penalty in the amount of \$3,000 in full satisfaction of the probable violations.

In determining whether the terms of the Stipulation are in the public interest and are reasonable, the Commission has taken into consideration the comprehensive nature of the settlement and LG&E's willingness to cooperate to achieve a speedy resolution of this proceeding. Based on the evidence of record and being otherwise sufficiently advised, the Commission finds that the Stipulation is in accordance with the law and does not violate any regulatory principle. The Stipulation is the product of arm's-length negotiations among capable, knowledgeable parties, is in the public interest, and results in a reasonable resolution of all issues in this case.

IT IS THEREFORE ORDERED that:

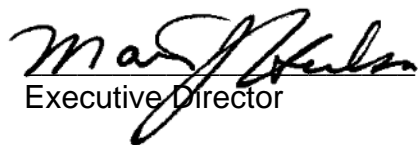
1. The Stipulation is adopted and approved in its entirety as a complete resolution of all issues in this case.

2. LG&E shall pay \$3,000 as a civil penalty within 30 days of the date of this Order by cashier's check or money order payable to the Kentucky State Treasurer and mailed or delivered to the Office of General Counsel, Public Service Commission, 211 Sower Boulevard, Post Office Box 615, Frankfort, Kentucky 40602.

Done at Frankfort, Kentucky, this 24th day of March, 2000.

By the Commission

ATTEST:


Executive Director