



Ms. Elizabeth O'Donnell
Executive Director
Public Service Commission of Kentucky
211 Sower Boulevard
Frankfort, Kentucky 40602

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AUG 9 2006

PUBLIC SERVICE
COMMISSION

E.ON U.S. LLC.

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August 7, 2006

RE: In the matter of: Damon Scott v. Louisville Gas and Electric Company,
Case No. 2005-00134

Dear Ms. O'Donnell:

I am pleased to inform the Commission that Louisville Gas and Electric Company and Mr. Scott were able to reach a settlement resolving the above-captioned case. I am enclosing an original and ten copies of that agreement for filing with the Commission.

Should you have any questions, please do not hesitate to contact me.

Sincerely,

Allyson K. Sturgeon

cc: Damon Scott
Lisa Kilkelly
J.E.B Pinney

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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DAMON SCOTT)

COMPLAINANT)

v.)

LOUISVILLE GAS & ELECTRIC COMPANY)

DEFENDANT)

CASE NO. 2005-00134

SETTLEMENT AGREEMENT

On this the 7th day of August, 2006, the parties, Damon Scott ("Scott") and Louisville Gas & Electric Co. ("LG&E"), agree to the following terms in settlement of this matter:

Whereas LG&E inadvertently deleted the electric meter servicing Scott's former residence at 1576 S. Shelby Street, Louisville, Kentucky from its Customer Information System, on or about November 19, 2002 and did not discover the error until November 2004, thereafter issuing a bill in the amount of \$2,012.78 on or about December 8, 2004 (hereinafter "the Shelby Street bill");

Whereas Scott has begun making payments to LG&E on the Shelby Street bill consistent with his ability to pay;

THEREFORE, the parties agree as follows:

1. As of June 28, 2006, the amount owed on the Shelby Street bill is \$1,675.44. LG&E will not assess any late fees, penalties or interest on said amount.
2. Scott will pay the Shelby Street bill by making payments to LG&E consistent with his ability to pay.
3. Pursuant to 807 KAR 5:006, Section 14(f), LG&E shall not disconnect Scott's current utility service at 4111 Mannerdale Drive due to the balance owed on the Shelby Street bill and shall not under any circumstances use the Shelby Street bill, in whole or in part as a basis for disconnection of his current service at the Mannerdale address.

4. Should Scott fail to comply with the terms and conditions for his current utility service at Mannerdale, LG&E shall have the right to disconnect his service in accordance with its normal procedures. In such case, LG&E has the right to refuse reconnection of service at Mannerdale until the outstanding balances for both Shelby Street and Mannerdale are paid in full except as provided in 807 KAR 5:006, Section 15, or corresponding provisions of any later regulation concerning winter hardship reconnection.

5. In the event that Scott requests new service in his name or establishes service through an agent from LG&E prior to the Shelby Street balance being paid off, LG&E has the right to request the entire Shelby Street balance to be paid in full before service would be provided at the new address. However, LG&E agrees to work with Scott in good faith should service be needed at a new address. In such a situation, LG&E agrees to review the payment history on Scott's account and, if Scott has maintained a satisfactory payment history for 12 consecutive months, LG&E will consider providing service at the new address subject to a partial payment arrangement on the remaining balance owed on the Shelby Street bill.

6. The Complaint in this action should be dismissed with prejudice.


Damon Scott


Louisville Gas & Electric Co.