

J. GREGORY CORNETT

DIRECT DIAL 502-560-4210
DIRECT FAX 502-627-8710

gcornett@ogdenlaw.com

1700 PNC PLAZA
500 WEST JEFFERSON STREET
LOUISVILLE, KENTUCKY 40202-2874
(502) 582-1601
FAX (502) 581-9564
www.ogdenlaw.com

July 26, 2005

HAND DELIVERY

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JUL 26 2005

PUBLIC SERVICE
COMMISSION

Elizabeth O'Donnell
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601

RE: In the Matter of: Louisville Gas and Electric Company / Alleged Failure to Comply with KRS 278.042 and 807 KAR 5:006, Section 24
Case No. 2005-00224

Dear Ms. O'Donnell:

Enclosed please find and accept for filing the original and ten copies of Louisville Gas and Electric Company's Response to the Commission's Order of July 8, 2005 and Motion to Suspend Hearing and Schedule Informal Conference in the above-referenced matter. Please confirm your receipt of this filing by placing the stamp of your Office with the date received on the enclosed additional copies and return them to me in the enclosed self-addressed stamped envelope.

Should you have any questions or need any additional information, please contact me at your convenience.

Very truly yours,



J. Gregory Cornett

JGC/ec

Enclosures

cc: Parties of Record

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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PUBLIC SERVICE
COMMISSION

In the Matter of:

**LOUISVILLE GAS AND)
ELECTRIC COMPANY)**

CASE NO: 2005-00224

_____)
**ALLEGED FAILURE TO COMPLY)
WITH KRS 278.042 AND 807 KAR)
5:006, SECTION 24)**

LOUISVILLE GAS AND ELECTRIC COMPANY'S RESPONSE
TO THE COMMISSION'S ORDER OF JULY 8, 2005 AND MOTION
TO SUSPEND HEARING AND SCHEDULE INFORMAL CONFERENCE

On July 8, 2005, the Kentucky Public Service Commission ("Commission") issued an Order directing Louisville Gas and Electric Company ("LG&E") to file a written response to the allegations contained in the Electric Utility Personal Injury Incident Report ("Report") prepared by the Commission Staff and dated May 12, 2005. For its Response to the Commission's Order, LG&E states as follows:

1. With regard to the information contained in the section of the Report titled "Utility," LG&E states that the utility should be LG&E and not Kentucky Utilities Company.
2. LG&E admits that the information contained in the sections of the Report titled "Reported By", "Incident Occurred", "Utility Notified", "PSC Notified", "PSC Investigated", "Report Received" and "Incident Location" is accurate.
3. With regard to the information contained in the section of the Report titled "Incident Description" and "Victim", LG&E admits, based on its investigation, that the information is accurate except as follows: LG&E is without sufficient information or knowledge

regarding whether Mr. Murphy's primary injury was to his head or to some other part of his body.

4. LG&E admits the information contained in the sections of the Report titled "Witness" and "Information From" is accurate.

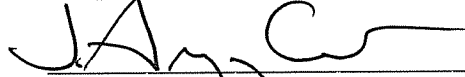
5. With regard to the section of the Report titled "Probable Violations", LG&E denies that it committed the alleged violations of KRS 278.042 and 807 KAR 5:006, Section 24. LG&E further states that the Health and Safety Manual referenced in connection with the cited probable violation of 807 KAR 5:006, Section 24 applies to LG&E employees only, and not to independent contractors. LG&E has a separate, although similar, safety program for its independent contractors, which program also includes a requirement for the use of fall protection equipment. The existence of such requirement as part of LG&E's safety program, however, cannot be the basis for a finding of a separate probable violation by LG&E, for two reasons. First, 807 KAR 5:006, Section 24 requires the existence of a safety program for employees, and does not provide for a penalty for the violation of that program which results from misconduct or negligence by an employee or independent contractor. Second, the cited provision relating to the use of fall protection as part of LG&E's safety program is the same or a substantially similar requirement to that found in the reference portions of the NESC. It would be a violation of the state and federal constitutions to subject LG&E to multiple penalties for the same alleged failure of Mr. Murphy to use fall protection equipment.

6. Any other averment in the Report not admitted is denied.

NOW, THEREFORE, LG&E requests that this case be dismissed or, in the alternative, that the hearing date set for August 9, 2005 be suspended and that an informal conference be scheduled with the Commission Staff for the purpose of discussing settlement and expediting

resolution of this proceeding. LG&E's willingness to discuss settlement is not, and should not be construed as, an admission of any liability or fault on its part.

Respectfully submitted,



J. Gregory Cornett
OGDEN NEWELL & WELCH PLLC
1700 PNC Plaza
500 West Jefferson Street
Louisville, Kentucky 40202
Telephone: (502) 582-1601

James Dimas
Corporate Attorney
LG&E Energy LLC
220 West Main Street
Louisville, Kentucky 40202

*Counsel for Louisville Gas and
Electric Company*

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Response was served by first class mail, postage prepaid, on the following person this 26th day of July, 2005.

James R. Goff
Staff Counsel
Public Service Commission
211 Sower Blvd.
Frankfort, Kentucky 40601



Counsel for Louisville Gas and Electric Company