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VIA FACSIMILE & US Mail

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April 12, 2006

Re: Agreement to Settle Case Number 2006-00084

Dear Mr. Raff :

Thank you for taking the time to meet with representatives of LG&E in an informal conference on Friday, April 7, 2006 to discuss the above referenced case involving a shock sustained by Gred Mudd of United Electric Company. At the informal conference, you proposed the terms of settlement you and the Commission staff are willing to present to the Commission for approval. The terms proposed are acceptable to LG&E.

Based on our conversations at the informal conference, LG&E understands the terms of the settlement to be as follows:

- 1) Payment of \$2,500 by LG&E;
- 2) LG&E's agreement to develop for all employees, and provide to all contractors written guidelines regarding the potential hazards of street light poles near energized lines twisting in the wind and laying out a non-exclusive set of options for controlling the hazard, including covering the conductor, removing the head of the structure, and using qualified personnel in a bucket truck to restrain the top of the structure;
- 3) LG&E's agreement to obtain a written response from United Electric Company acknowledging that United Electric recognizes the twisting issue as a potential hazard and stating United Electric has taken action to inform its' employees of the hazard; and

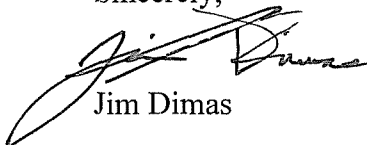


- 4) Language in the settlement agreement consistent with past agreements stating that the settlement is not an admission or denial of any willful violations.

If any of these terms are inconsistent with your understanding of the settlement or if I have neglected to include anything, please let me know. Otherwise please let me know if your preference is for you or me to prepare a draft of the settlement agreement. I recall that you expressed a preference for using the form of recent settlement agreements for this agreement.

Please contact me with any questions. Thank you again for the opportunity to participate in an informal conference regarding this matter. I look forward to your response.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Dimas", written over a horizontal line.

Jim Dimas

C: Howard Bush
Ken Sheridan
Keith McBride