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October 19, 2006

VIA HAND DELIVERY

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OCT 19 2006

**PUBLIC SERVICE
COMMISSION**

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

**Re: In the Matter of Kentucky Utilities Company
Alleged Failure to Comply with KRS 278.042
Case No. 2006-00354**

Dear Ms. O'Donnell:

Enclosed please find and accept for filing the original and ten (10) copies of Kentucky Utilities Company's Response to the Commission's Order of September 29, 2006 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 two additional copies provided 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/cja
Enclosures
cc: Parties of Record

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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OCT 19 2006

PUBLIC SERVICE
COMMISSION

In the Matter of:

KENTUCKY UTILITIES COMPANY)
_____))
ALLEGED FAILURE TO COMPLY)
WITH KRS 278.042)

CASE NO: 2006-00354

RESPONSE OF KENTUCKY UTILITIES COMPANY
TO THE COMMISSION'S ORDER OF SEPTEMBER 29, 2006
AND MOTION TO SUSPEND HEARING AND
SCHEDULE INFORMAL CONFERENCE

On September 29, 2006, the Kentucky Public Service Commission ("Commission") issued an Order directing Kentucky Utilities Company ("KU") to file a written response to the allegations contained in the Electric Utility Personal Injury Accident Report ("Report") prepared by the Commission Staff and dated June 22, 2006. For its Response to the Commission's Order, KU states as follows:

1. KU admits that the information contained in the sections of the Report titled "Utility", "Reported By", "Accident Occurred", "Utility Notified", "PSC Notified", "PSC Investigated", "Report Received" and "Accident Location" is accurate.

2. With regard to the information contained in the section of the Report titled "Accident Description", KU admits, based on its investigation, that the information is accurate.

3. KU admits that the information contained in the sections of the Report titled "Victim(s)", "Witness(es)", "Information From" and "Temp & Weather" is accurate.

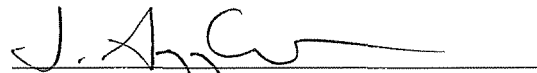
4. With regard to the section of the Report titled "Probable Violations", KU denies that it committed any willful violation of KRS 278.042 or the National Electrical Safety Code,

and denies that the 2002 version of the National Electrical Safety Code is the version applicable to the wire in question.

5. KU admits that the information contained in the section of the Report titled “Investigated By” is accurate.

NOW, THEREFORE, KU requests that this case be dismissed or, in the alternative, that the hearing date set for November 16, 2006 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. KU’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
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Telephone: (502) 333-6000

James Dimas
Senior Corporate Attorney
Kentucky Utilities Company
220 West Main Street
Louisville, Kentucky 40202

Counsel for Kentucky Utilities 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 19th day of October, 2006.

Richard Raff
Staff Counsel
Public Service Commission
211 Sower Blvd.
Frankfort, Kentucky 40601



Counsel for Kentucky Utilities Company