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David L. Armstrong  
Chairman

James W. Gardner  
Vice Chairman

Linda Breathitt  
Commissioner

September 25, 2014

**PARTIES OF RECORD**

Re: Case No. 2014-00263

Attached is a copy of a memorandum which is being filed in the record of the above-referenced case. If you have any comments you would like to make regarding the contents of the memorandum please do so within five days of receipt of this letter. If you have any questions, please contact Jonathan Beyer, Commission Counsel, at 502/782-2581.

Sincerely,



Jeff Derouen  
Executive Director

Enclosures

**INTRA-AGENCY MEMORANDUM**  
**KENTUCKY PUBLIC SERVICE COMMISSION**

**TO:** Case File – Case No. 2014-00263  
**FROM:** Jonathan Beyer, Staff Attorney  
**DATE:** September 25, 2014  
**RE:** Informal Conference of September 25, 2014

Pursuant to the Commission's September 3, 2014 Order, an informal conference was held in this matter on September 25, 2014. A list of attendees is attached.

Beginning the conference, Jerome Humphries, for Duke Energy Kentucky, Inc. ("Duke"), detailed the general process through which Duke sought to provide notice to all necessary parties regarding the January 25, 2013 incident in Newport, Kentucky.

The parties discussed the Emergency Notification Guidelines letter posted on the Commission's website. Counsel for Duke, Rocco D'Ascenzo noted that the form was changed approximately one month after the incident to remove reference to notifying Kentucky Emergency Management – Emergency Operations Center. Mr. D'Ascenzo stated that Duke did not willfully fail to notify the Commission, but believed that in notifying the Emergency Operations Center it was providing the required notice to the Commission. To the extent the previous form was ambiguous regarding the notice requirement, Mr. D'Ascenzo stated that any ambiguity should be construed to the benefit of the utility. Additionally, he stated that in a previous 2011 incident, notice was also made through the Emergency Operations Center.

The parties discussed the resolution of this matter and agreed to a settlement in principle, wherein Duke agrees to pay a monetary penalty in the amount of \$1,000 and to provide documentation to the Commission pertaining to the incident notification procedures set forth in its safety manual. In entering into the settlement agreement, Duke does not admit any liability, wrongdoing or willfulness. Finally, the parties agreed that in consideration of the proposed settlement, the scheduled October 29, 2014 hearing in this matter should be indefinitely suspended pending the Commission's consideration of the forthcoming settlement agreement.

Finding that no party had any further questions, the conference was adjourned.

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

DUKE ENERGY KENTUCKY, INC. )  
\_\_\_\_\_) )  
ALLEGED FAILURE TO COMPLY WITH ) CASE NO. 2014-00263  
KRS 278.042 )

September 25, 2014

Please sign in:

NAME

REPRESENTING

GARY GLOVER

PSC - ENGINEERING

Dennis Westenberg

Duke energy

JAMES RICE

PSC

Charles W. Session, Jr

DUKE ENERGY

Rocco D'Asenzo

DUKE ENERGY

JEROME HUMPHRIES

DUKE ENERGY

Jason Hunt

PSC

Jonathan Bayer

PSC