

CASE

NUMBER:

99-378

HISTORY INDEX FOR CASE: 1999-378
LOUISVILLE GAS AND ELECTRIC COMPANY
Investigation - Service
INCIDENT/LINE CUT & IGNITED

IN THE MATTER OF LOUISVILLE GAS AND ELECTRIC COMPANY
ALLEGED VIOLATION OF COMMISSION REGULATION 807 KAR 5:022,
SECTION 9(13)(a) 807 KAR 5:027, SECTION 3(1)(c)

SEQ NBR	ENTRY DATE	REMARKS
0001	09/20/1999	Order scheduling hearing on 11/4; resp. to allegations/req. for IC due 10/11.
M0001	10/07/1999	DOUGLAS BROKS LG&E-ANSWER & REQUEST FOR INFOMRAL CONFERENCE
0002	10/15/1999	Order continuing 11/4 hearing & scheduling IC on 11/1.
M0002	12/09/1999	LG&E DOULAS BROOKS-COPY OF SETTLEMENT AGREEMENT PRESENTED NOV 1,99 TO LG&E BY STAFF
0003	12/21/1999	Letter of response re: telephone rates in prison to Nicky Norris.
0004	12/27/1999	Letter to LG&E along with copy of prepared Settlement Agreement.
0005	02/04/2000	Letter to LG&E asking them to respond to Settlement Agreement.
0006	02/24/2000	Acknowledgment letter to Rebecca Knight re: reduction in rates.
0007	02/24/2000	Acknowledgment letter to Dr. O. Dale Collins re: rate reduction.
0008	02/24/2000	Acknowledgment letter to Dr. W.J. Belanger re: rate reduction.
0009	03/03/2000	Order scheduling hearing on 4/19; any motion req. an IC due by 3/23.
0010	03/29/2000	Letter to LG&E regarding omission in proposed settlement agreement.
0011	04/13/2000	Stipulation of Facts and Agreement which resolves this case.
0012	05/08/2000	Final Order approving Settlement Agreement attached as Appendix A.
0013	05/23/2000	Receipt of Payment
M0003	05/23/2000	LG&E-PENALTY CHECK FOR 1000.00



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
211 SOWER BOULEVARD
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

CERTIFICATE OF SERVICE


RE: Case No. 1999-378
LOUISVILLE GAS AND ELECTRIC COMPANY

I, Stephanie Bell, Secretary of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the following by U.S. Mail on May 8, 2000.

Parties of Record:

Ronald Willhite
Vice President Regulatory Affairs
Louisville Gas and Electric Company
220 W. Main Street
P. O. Box 32010
Louisville, KY. 40232 2010

Honorable Douglas M. Brooks
Counsel for LG&E
Louisville Gas & Electric Company
220 West Main Street
P.O. Box 32010
Louisville, KY. 40232


Secretary of the Commission

SB/hv
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

LOUISVILLE GAS AND ELECTRIC COMPANY)
)
)
)
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)

CASE NO. 99-378

ALLEGED VIOLATION OF COMMISSION
REGULATION 807 KAR 5:022, SECTION 9(13)(a),
807 KAR 5:027, SECTION 3(1)(c)

O R D E R

On September 20, 1999, the Commission issued an Order to Louisville Gas and Electric Company ("LG&E") to show cause why it should not be found in violation of 807 KAR 5:022, Section 9(13)(a), and 807 KAR 5:027, Section 3(1)(c), and penalized under KRS 278.990(1). LG&E filed a response to the Commission's Order and requested an informal conference with Commission Staff. An informal conference was held on November 1, 1999 pursuant to an Order of the Commission. Commission Staff and LG&E have entered into a Settlement Agreement in which LG&E agreed to pay \$500 for each alleged violation for a total of \$1,000 in settlement of this case, and to take certain safety precautions in the Anita Springs subdivision.

After due consideration of the proposed Settlement Agreement and being otherwise sufficiently advised, the Commission finds that the Settlement Agreement as submitted is fair and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The Settlement Agreement, attached as Appendix A, is incorporated into this Order as if fully set forth herein.
2. The formal hearing previously set in this case is cancelled.
3. Within 10 days of the date of this Order, LG&E shall pay a civil penalty of \$1,000 to the Commonwealth of Kentucky in settlement of this case. This payment shall be in the form of a cashier's check made payable to the Kentucky State Treasurer and shall be mailed or delivered to the Office of General Counsel, Public Service Commission, 211 Sower Boulevard, Post Office Box 615, Frankfort, Kentucky 40602.

Done at Frankfort, Kentucky, this 8th day of May, 2000.

By the Commission

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE
KENTUCKY PUBLIC SERVICE COMMISSION

IN CASE NO. 99-378

DATED 5/8/2000

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

LOUISVILLE GAS AND ELECTRIC COMPANY)
_____))
ALLEGED VIOLATION OF COMMISSION) CASE NO. 99-378
REGULATION 807 KAR 5:022, SECTION 9(13)(a))
807 KAR 5:027, SECTION 3(1)(c))

STIPULATION OF FACTS AND AGREEMENT

By Order dated September 20, 1999, the Commission initiated this proceeding to determine whether Louisville Gas and Electric Co. ("LG&E") should be subject to the penalties prescribed in KRS 278.990(1) for one violation of 807 KAR 5:022, Section 9(13)(a) and one violation of 807 KAR 5:027, Section 3(1)(c). The Order arose out of an incident that occurred on May 27, 1999 in the Anita Springs subdivision in LaGrange, Kentucky in which a lawnmower struck an LG&E gas service line that was stubbed off above ground. As a result of the incident, the lawnmower was destroyed but there were no injuries.

LG&E and the Staff submit the following agreement for the Commission's consideration in rendering its decision in this proceeding:

1. LG&E agrees that the Staff's Utility Accident Investigation Report dated August 27, 1999 that is attached to the September 20, 1999 Order, accurately presents the facts relevant to this proceeding, and that a hearing is not necessary for the presentation of further evidence.
2. LG&E agrees in settlement of the violations alleged in the September 20, 1999 Order that it will pay a sum of \$500 (Five Hundred Dollars) as a civil penalty for each violation,

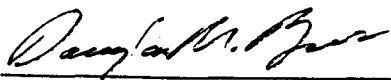
for a total civil penalty of \$1,000 (One Thousand Dollars), to be paid as directed by the Commission upon the approval of this Stipulation of Facts and Agreement. Neither the payment of the civil penalty, nor any other agreement contained in this Stipulation of Facts and Agreement, shall be construed as an admission of a violation of any Public Service Commission regulation.

3. LG&E has closed off all of the previously "hot" service lines currently in place in undeveloped lots in the Anita Springs subdivision in LaGrange, Kentucky so that no natural gas can flow into those service lines. LG&E has also buried and capped the stubbed-off end of those service lines so that no part of the service lines remain above ground, and has marked the location of those ends with a two-inch yellow plastic pipe.

4. In the event that the Commission does not adopt this Stipulation of Facts and Agreement in its entirety, LG&E and Staff reserve their rights to withdraw therefrom and require that a hearing be held on any and all issues involved herein, and that none of the provisions contained herein shall be binding upon the parties hereto, used as an admission by LG&E of any liability in any legal proceeding or law suit arising out of the facts set forth in the Staff Report, or otherwise used as an admission by either party.

5. LG&E and Staff agree that the foregoing Stipulation of Facts and Agreement is reasonable, is in the public interest, and should be adopted in its entirety by the Commission. If so adopted by the Commission, LG&E agrees to waive its right to a hearing and will not file any petition for rehearing with the Commission or seek judicial appeal.

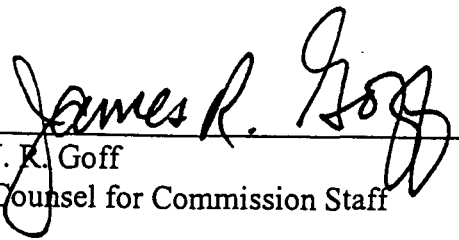
Respectfully submitted,



Douglas M. Brooks
Counsel for Louisville Gas and Electric Company

4/11/00

Date



J. R. Goff
Counsel for Commission Staff

4-12-00

Date



Paul E. Patton, Governor
Ronald B. McCloud, Secretary
Public Protection and Regulation
Cabinet

Martin J. Huelsmann
Executive Director
Public Service Commission

COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
211 SOWER BOULEVARD
POST OFFICE BOX 615
FRANKFORT, KENTUCKY 40602-0615
www.psc.state.ky.us
(502) 564-3940
Fax (502) 564-3460

B. J. Helton
Chairman
Edward J. Holmes
Vice Chairman
Gary W. Gillis
Commissioner

April 13, 2000

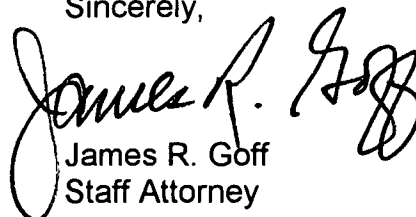
Mr. Martin J. Huelsmann
Executive Director
Public Service Commission
Post Office Box 615
Frankfort, Kentucky 40602

Re: Louisville Gas and Electric Company
Case No. 99-378

Dear Mr. Huelsmann:

Enclosed for filing is a Stipulation of Facts and Agreement between Commission Staff and Louisville Gas and Electric Company which resolves Case No. 99-378. The signatories to this Agreement request that the Commission review and approve this Agreement.

Sincerely,


James R. Goff
Staff Attorney

Enclosure
cc: Parties of Record
cc: File



COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

FILED

APR 13 2000

PUBLIC SERVICE
COMMISSION

In the Matter of:

LOUISVILLE GAS AND ELECTRIC COMPANY)
_____))
ALLEGED VIOLATION OF COMMISSION)
REGULATION 807 KAR 5:022, SECTION 9(13)(a))
807 KAR 5:027, SECTION 3(1)(c))

CASE NO. 99-378

STIPULATION OF FACTS AND AGREEMENT

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LG&E and the Staff submit the following agreement for the Commission's consideration in rendering its decision in this proceeding:

1. LG&E agrees that the Staff's Utility Accident Investigation Report dated August 27, 1999 that is attached to the September 20, 1999 Order, accurately presents the facts relevant to this proceeding, and that a hearing is not necessary for the presentation of further evidence.
2. LG&E agrees in settlement of the violations alleged in the September 20, 1999 Order that it will pay a sum of \$500 (Five Hundred Dollars) as a civil penalty for each violation,

for a total civil penalty of \$1,000 (One Thousand Dollars), to be paid as directed by the Commission upon the approval of this Stipulation of Facts and Agreement. Neither the payment of the civil penalty, nor any other agreement contained in this Stipulation of Facts and Agreement, shall be construed as an admission of a violation of any Public Service Commission regulation.

3. LG&E has closed off all of the previously "hot" service lines currently in place in undeveloped lots in the Anita Springs subdivision in LaGrange, Kentucky so that no natural gas can flow into those service lines. LG&E has also buried and capped the stubbed-off end of those service lines so that no part of the service lines remain above ground, and has marked the location of those ends with a two-inch yellow plastic pipe.

4. In the event that the Commission does not adopt this Stipulation of Facts and Agreement in its entirety, LG&E and Staff reserve their rights to withdraw therefrom and require that a hearing be held on any and all issues involved herein, and that none of the provisions contained herein shall be binding upon the parties hereto, used as an admission by LG&E of any liability in any legal proceeding or law suit arising out of the facts set forth in the Staff Report, or otherwise used as an admission by either party.

5. LG&E and Staff agree that the foregoing Stipulation of Facts and Agreement is reasonable, is in the public interest, and should be adopted in its entirety by the Commission. If so adopted by the Commission, LG&E agrees to waive its right to a hearing and will not file any petition for rehearing with the Commission or seek judicial appeal.

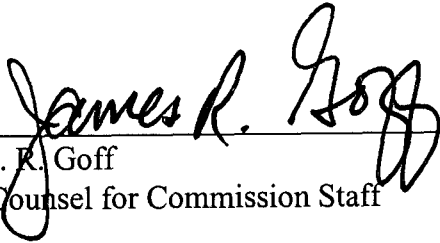
Respectfully submitted,



Douglas M. Brooks
Counsel for Louisville Gas and Electric Company

4/11/00

Date



J. R. Goff
Counsel for Commission Staff

4-12-00

Date



Paul E. Patton, Governor
Ronald B. McCloud, Secretary
Public Protection and
Regulation Cabinet

Martin J. Huelsmann
Executive Director
Public Service Commission

COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
211 SOWER BOULEVARD
POST OFFICE BOX 615
FRANKFORT, KENTUCKY 40602-0615
www.psc.state.ky.us
(502) 564-3940
Fax (502) 564-3460

B. J. Helton
Chairman

Edward J. Holmes
Vice Chairman

Gary W. Gillis
Commissioner

March 29, 2000

Mr. Douglas M. Brooks
Senior Counsel Specialist, Regulatory
Louisville Gas and Electric Company
Post Office Box 32010
Louisville, Kentucky 40232

Re: Case No. 99-378
Louisville Gas and Electric Company

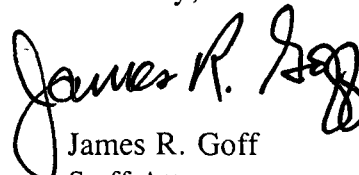
Dear Mr. Brooks:

Thank you for your letter of March 8, 2000, and proposed settlement agreement. I have reviewed the proposed agreement and find that it contains what I believe is an omission. Paragraph 3 on page 2 should contain language that LG&E will cap the lines below ground and place a two-inch plastic pipe, yellow in color, to mark those service lines. My notes from the informal conference on November 1, 1999, indicate that Greg Ferguson said LG&E was prepared to cap the lines. Enclosed is a copy of a diagram as to this procedure.

Please review your notes and, if you agree, place the language in a settlement agreement and send it to me to present to the Commission for approval. I notice the hearing is still set for April 19, 2000, so I hope we can get this settlement agreement before the Commission by April 10.

I will be out of the office April 3-7; however, you may contact Dale Wright at extension 235 if necessary.

Sincerely,

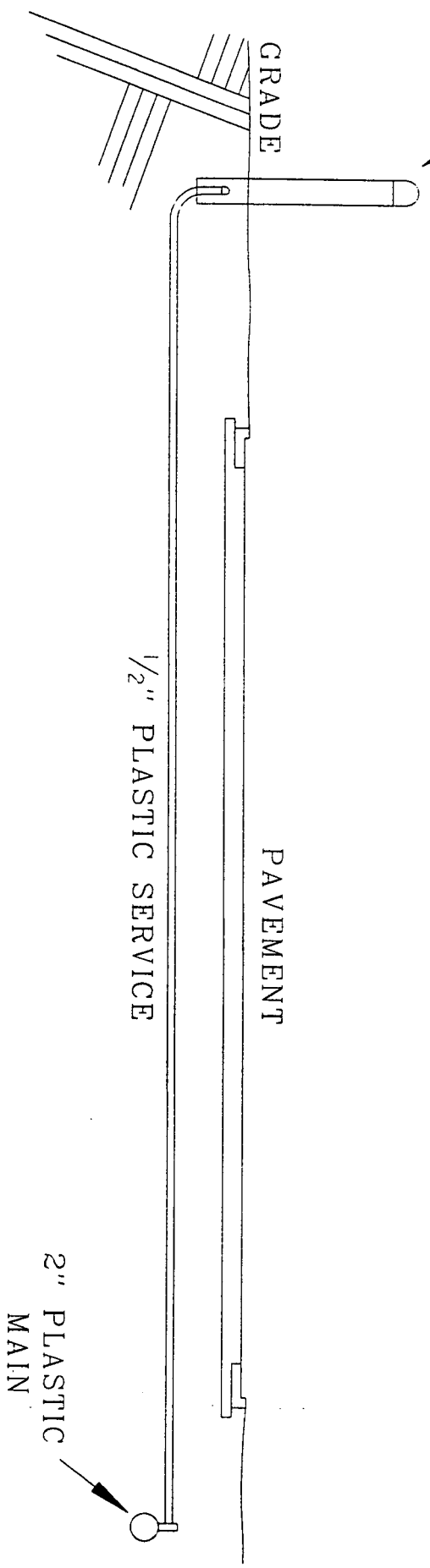

James R. Goff
Staff Attorney

Enclosure



TYPICAL CURB SERVICE DESIGN

2" PL. YELLOW CURB
SERVICE MARKER





COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
211 SOWER BOULEVARD
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

March 3, 2000

Ronald Willhite
Vice President Regulatory Affairs
Louisville Gas and Electric Company
220 W. Main Street
P. O. Box 32010
Louisville, KY. 40232 2010

Honorable Douglas M. Brooks
Counsel for LG&E
Louisville Gas & Electric Company
220 West Main Street
P.O. Box 32010
Louisville, KY. 40232

RE: Case No. 1999-378

We enclose one attested copy of the Commission's Order in
the above case.

Sincerely,

A handwritten signature in cursive script that reads "Stephanie Bell".

Stephanie Bell
Secretary of the Commission

SB/hv
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

LOUISVILLE GAS AND ELECTRIC COMPANY)

_____))
ALLEGED VIOLATION OF COMMISSION)
REGULATION 807 KAR 5:022, SECTION 9(13)(a),)
807 KAR 5:027, SECTION 3(1)(c))

CASE NO. 99-378

O R D E R

On October 15, 1999, pursuant to the request of Louisville Gas and Electric Company ("LG&E") for an informal conference with Commission Staff, the Commission cancelled the formal hearing set in its Order of September 20, 1999.

As there has been no settlement of this case, the Commission, on its own motion, HEREBY ORDERS that:

1. LG&E shall appear before the Commission on April 19, 2000 at 9:00 a.m., Eastern Daylight Time, in Hearing Room 2 of the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky for the purpose of presenting evidence concerning the alleged violation of Administrative Regulation 807 KAR 5:022, Section 9(13)(a) and 807 KAR 5:027, Section 3(1)(c), and of showing cause why it should not be subject to the penalties prescribed in KRS 278.990(1) for this alleged violation.
2. Neither opening statements nor summaries of prefiled direct testimony will be permitted.

3. Any motion requesting an informal conference with Commission Staff to consider matters which would aid in the handling or disposition of this proceeding shall be filed with the Commission no later than 20 days from the date of this Order.

Done at Frankfort, Kentucky, this 3rd day of March, 2000.

By the Commission

ATTEST:

W. H. Bowen
Deputy Executive Director



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

211 Sower Boulevard
POST OFFICE BOX 615
FRANKFORT, KENTUCKY 40602
www.psc.state.ky.us
(502) 564-3940

February 4, 2000

Mr. Douglas M. Brooks
Senior Counsel Specialist, Regulatory
Louisville Gas and Electric Company
Post Office Box 32010
Louisville, KY 40232

Re: Case No. 99-378

Dear Mr. Brooks:

On December 27, 1999, I sent you a Settlement Agreement for your review and signature. To date I have not received any response. Please review your file and, if the Settlement Agreement is agreeable, please have it executed and returned to me so that this case may be concluded.

Sincerely,

James R. Goff
Staff Attorney

JRG:v



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KENTUCKY 40602
www.psc.state.ky.us
(502) 564-3940

December 27, 1999

Mr. Douglas M. Brooks
Senior Counsel Specialist, Regulatory
Louisville Gas and Electric Company
Post Office Box 32010
Louisville, KY 40232

Re: Case No. 99-378

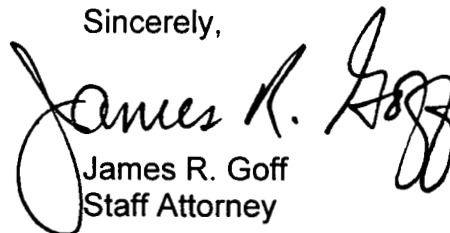
Dear Mr. Brooks:

This is in response to your letter of November 29, 1999 to Dale Wright. Because of a conflict in my schedule, Dale substituted for me at the informal conference.

I have reviewed your letter and the memo of the informal conference with the Staff assigned to this case. There is agreement with your first two proposals as a basis for settlement of this case. However, the Commission Staff does not believe that an informal conference or the establishment of a case to discuss the status of newly installed company service lines would be necessary at this time. Staff may wish to pursue this issue in the future in a forum different from this case.

Accordingly, I have prepared a Settlement Agreement incorporating the agreed-upon items and it is enclosed herewith in duplicate for your review. If this Settlement Agreement is acceptable, please sign and return one copy to me for presentation to the Commission.

Sincerely,


James R. Goff
Staff Attorney

JRG:v
Enclosures

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

LOUISVILLE GAS AND ELECTRIC COMPANY)
)
 _____)
)
 ALLEGED VIOLATIONS OF ADMINISTRATIVE)
 REGULATION 807 KAR 5:022, SECTION 9(13)(a))
 AND 807 KAR 5:027, SECTION 3(1)(c))

CASE NO. 99-378

SETTLEMENT AGREEMENT

THIS AGREEMENT is made and entered this 27 day of December,
1999, by and between the STAFF OF THE PUBLIC SERVICE COMMISSION OF
KENTUCKY ("Commission Staff") and LOUISVILLE GAS AND ELECTRIC COMPANY
("LG&E").

WITNESSETH:

WHEREAS, LG&E is a utility pursuant to KRS 278.010(3)(b). As a natural gas
utility, LG&E is subject to Commission jurisdiction pursuant to KRS 278.040 and
278.495(2); and

WHEREAS, on November 1, 1999, an informal conference was held between
Commission Staff and representatives of LG&E for the purpose of discussing matters to
aid in the disposition of this proceeding; and

WHEREAS, LG&E did not contest the violations as contained in the Commission's
Order of September 20, 1999; and

WHEREAS, LG&E does not believe a policy change in the practice of activation of newly installed company service lines could be done without an industry-wide forum; and

WHEREAS, Commission Staff does not intend to address that issue at this time;

NOW, THEREFORE, based upon negotiations with Commission Staff, it is agreed that:

1. There are no further facts to be submitted to the Commission and LG&E has waived its right to a public hearing;

2. LG&E agrees to the imposition of a civil penalty of \$500 for each of the listed violations:

a. 807 KAR 5:027, Section 3(1)(c), which requires utilities to give notice to the Commission "...at the earliest practicable moment or no later than (2) hours after the incident" that results in gas ignition.

b. 807 KAR 5:022, Section 9(13)(a), which requires: "Each plastic service line outside a building shall be installed below ground level, except that it may terminate above ground and outside the building, if (1) the above ground part of the plastic service line is protected against deterioration and external damage."

3. LG&E agrees to pay One Thousand Dollars (\$1,000.00) by cashier's check payable to the Kentucky State Treasurer, as the Commission may order.

4. LG&E will close all "hot" service lines in the Anita Springs development.

5. This settlement agreement is subject to the approval of the Public Service Commission.

6. If the Public Service Commission fails to accept and approve this Settlement Agreement in its entirety, this proceeding shall go forward and neither the terms of this

Settlement Agreement nor any matters raised during settlement negotiations shall be binding on either signatory or be construed against either LG&E or Commission Staff.

7. Commission Staff shall recommend to the Public Service Commission that this Settlement Agreement be accepted and approved.

IN WITNESS WHEREOF, LG&E and Commission Staff have executed this Settlement Agreement the day and year first above written by and through their duly authorized attorneys.

STAFF OF PUBLIC SERVICE COMMISSION
OF KENTUCKY

BY: James R. Bogg
TITLE: Staff Attorney

LOUISVILLE GAS AND ELECTRIC
COMPANY

BY: _____
TITLE: _____



Louisville Gas and Electric Company
220 West Main Street
P.O. Box 32010
Louisville, Kentucky 40232
502-627-3460
502-627-3367 FAX

RECEIVED
DEC 9 1999
PUBLIC SERVICE
COMMISSION

Law Department

November 29, 1999

Via Facsimile and Overnight Mail

Mr. Dale Wright
Staff Attorney
Kentucky Public Service Commission
730 Schenkel Lane
P. O. Box 615
Frankfort, KY 40602

RECEIVED

DEC 1 1999

GENERAL COUNSEL

Re: Case No. 99-378

Dear Mr. Wright:

At the informal conference held in this case on November 1, 1999, the Staff presented a settlement offer to LG&E that consisted of the following:

1. The payment of a penalty of \$500 for each of the two violations, for a total payment of \$1,000;
2. LG&E will close all "hot" service lines in the Anita Springs development; and,
3. Consider changing LG&E's procedures so that LG&E would not make "hot" any company service lines that are not yet connected to the customer's service line at a completed residence.

You requested that we respond to this offer by the end of the month. This letter constitutes LG&E's response.

LG&E agrees to the penalty in the amount of \$500 for each violation, as well as the condition that it close off all "hot" service lines in the Anita Springs development. LG&E expects to have this work completed by the end of this year.

As for the third item, LG&E believes that discussion of industry practices regarding activation of newly-installed company services would best be addressed in the context of a forum that includes the Kentucky gas utility industry. LG&E believes that the practice found in the Anita Springs subdivision that is of concern to the Staff is standard operating procedures for many gas LDCs. It would therefore be more logical and efficient for the Commission to examine this practice on an industry-wide basis. LG&E suggests that the Commission convene an informal conference or other suitable setting to initiate such an industry-wide discussion on this issue. LG&E will, of course, be pleased to be an active participant in such a conference.

Mr. Dale Wright
November 30, 1999
Page 2 of 2



Please call the undersigned if you have any questions about this response. I look forward to hearing from you.

Sincerely yours,

A handwritten signature in cursive script that reads 'Douglas M. Brooks'.

Douglas M. Brooks
Senior Counsel Specialist, Regulatory
(502) 627-2557



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

October 15, 1999

Ronald Willhite
Vice President Regulatory Affairs
Louisville Gas and Electric Company
220 W. Main Street
P. O. Box 32010
Louisville, KY. 40232 2010

Honorable Douglas M. Brooks
Counsel for LG&E
Louisville Gas & Electric Company
220 West Main Street
P.O. Box 32010
Louisville, KY. 40232

RE: Case No. 99-378

We enclose one attested copy of the Commission's Order in
the above case.

Sincerely,

A handwritten signature in black ink that reads "Stephanie Bell". The signature is written in a cursive, flowing style.

Stephanie Bell
Secretary of the Commission

SB/hv
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

LOUISVILLE GAS AND ELECTRIC COMPANY)
)
_____))
ALLEGED VIOLATIONS OF ADMINISTRATIVE)
REGULATION 807 KAR 5:022, SECTION 9(13)(a))
AND 807 KAR 5:027, SECTION 3(1)(c))

CASE NO. 99-378

O R D E R

Louisville Gas and Electric Company ("LG&E") has filed a response to the Commission's Order of September 20, 1999 in which LG&E, among other things, requested an informal conference with Commission Staff.

The Commission, being sufficiently advised, HEREBY ORDERS that:

1. The formal hearing set for November 4, 1999 is continued, pending further Orders of the Commission.
2. An informal conference shall be held with Commission Staff on November 1, 1999 at 9:30 a.m., Eastern Standard Time, in Conference Room 2 of the Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky.
3. LG&E shall bring all documents to support its position and shall be represented by counsel or a corporate officer authorized to enter into a settlement agreement.

Done at Frankfort, Kentucky, this 15th day of October, 1999.

By the Commission

ATTEST:


Executive Director



J. ...
S. ...

Law Department

Louisville Gas and Electric Company
220 West Main Street
P.O. Box 32010
Louisville, Kentucky 40232
502-627-3450
502-627-3367 FAX

October 6, 1999

VIA OVERNIGHT DELIVERY

RECEIVED

OCT 07 1999

PUBLIC SERVICE
COMMISSION

Helen Helton
Executive Director
Kentucky Public Service Commission
730 Schenkel Lane
P.O. Box 615
Frankfort, KY 40602

**Re: Louisville Gas and Electric Company
Case No. 99-378**

Dear Ms. Helton:

You will find enclosed for filing in the above-referenced case an original and ten (10) copies of Louisville Gas and Electric Company's Answer and Request For Informal Conference.

Please contact the undersigned if you have any questions. Thank you for your courtesies in this matter.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Douglas M. Brooks".

Douglas M. Brooks
Senior Counsel Specialist, Regulatory
(502) 627-2557

:dmb

Enclosures

A SUBSIDIARY OF

LG&E ENERGY

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

OCT 07 1999

PUBLIC SERVICE
COMMISSION

In the Matter of:

LOUISVILLE GAS AND ELECTRIC COMPANY)
_____))
ALLEGED VIOLATION OF COMMISSION)
REGULATION 807 KAR 5:022, SECTION 9(13)(a))
807 KAR 5:027, SECTION 3(1)(c))

CASE NO. 99-378

**ANSWER AND REQUEST FOR INFORMAL CONFERENCE
AND CANCELLATION OF HEARING**

Louisville Gas and Electric Company ("LG&E") hereby submits its Answer to the Commission's Order dated September 20, 1999 in this case, and requests that the Commission schedule an informal conference between the Staff and LG&E so that a negotiated resolution of this proceeding may be explored, and further requests that the hearing currently scheduled for November 4, 1999 be cancelled.

ANSWER

1. LG&E admits those facts that appear in the Utility Accident Investigation Report dated August 27, 1999 that is attached to the September 20, 1999 Order, and those facts that appear in the numbered paragraphs one and two on page two of that Order.

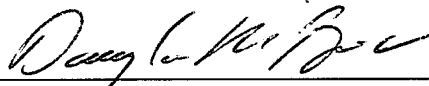
**REQUEST FOR INFORMAL CONFERENCE AND
CANCELLATION OF HEARING**

LG&E requests that the Commission establish, pursuant to 807 KAR 5:001 §4(4), an informal conference between its Staff and LG&E for the purpose of discussing the Staff Utility Accident Investigation Report and exchanging information regarding the incident discussed in

the Staff Report, and determining whether the case can be submitted to the Commission for resolution on stipulated facts. LG&E believes that an informal conference will save the time and resources of both the Staff and LG&E and will allow for a more efficient disposition of the proceeding. The hearing currently scheduled for November 4, 1999 should be cancelled so that LG&E and the Staff can conduct the informal conference and determine whether a hearing will be necessary for the disposition of this case.

WHEREFORE, Louisville Gas and Electric Company respectfully requests that the Commission schedule an informal conference in this case and further requests that the hearing currently scheduled for November 4, 1999 be cancelled.

Respectfully submitted,



Douglas M. Brooks
Senior Counsel Specialist, Regulatory
LOUISVILLE GAS AND ELECTRIC COMPANY
220 West Main Street
P.O. Box 32010
Louisville, Kentucky 40232
(502) 627-2557
**Counsel for Louisville Gas and Electric
Company**



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

September 20, 1999

Ronald Willhite
Vice President Regulatory Affairs
Louisville Gas and Electric Company
220 W. Main Street
P. O. Box 32010
Louisville, KY. 40232 2010

RE: Case No. 99-378

We enclose one attested copy of the Commission's Order in
the above case.

Sincerely,

A handwritten signature in cursive script that reads "Stephanie Bell".

Stephanie Bell
Secretary of the Commission

SB/hv
Enclosure

Z 360 073 290

US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

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Street & Number	PO BOX 32010
Post Office, State & ZIP Code	Louisville, KY 40232
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Special Delivery Fee	
Restricted Delivery Fee	
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PS Form 3800, April 1995

HU 97-378

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SE
Ronald Wilhite

4a. Article Number

2 360 073 290

4b. Service Type

- Registered
- Express Mail
- Return Receipt for Merchandise *CCD*
- Certified
- Insured

7. Date of Delivery

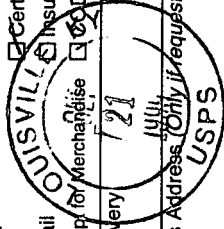
7/21/94

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S. A. ...

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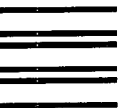


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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

LOUISVILLE GAS AND ELECTRIC COMPANY)	
)	CASE NO.
<u>ALLEGED VIOLATION OF COMMISSION</u>)	99-378
REGULATION 807 KAR 5:022, SECTION 9(13)(a))	
807 KAR 5:027, SECTION 3(1)(c))	

O R D E R

Louisville Gas and Electric Company ("LG&E") is a utility pursuant to KRS 278.010(3)(b). As a natural gas utility, LG&E is subject to Commission jurisdiction pursuant to KRS 278.040 and 278.495(2).

KRS 278.280(2) directs the Commission to prescribe rules and regulations for the performance of services by utilities. Pursuant to this statutory directive, the Commission promulgated 807 KAR 5:027, Section 3(1)(c), which requires utilities to give notice to the Commission "at the earliest practicable moment or no later than (2) hours after the incident" of any occurrence that results in gas ignition. Likewise, the Commission promulgated 807 KAR 5:022, Section 9(13)(a), which requires:

Each plastic service line outside a building shall be installed below ground level, except that it may terminate above ground and outside the building, if:

1. The above ground part of the plastic service line is protected against deterioration and external damage;

Commission Staff has submitted to the Commission an Incident Inspection Report dated August 27, 1999, appended hereto, which alleges:

APPENDIX

AN APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 99-378 DATED SEPTEMBER 20, 1999