



RECEIVED

MAR 22 2006

PUBLIC SERVICE
COMMISSION

**Louisville Gas and
Electric Company**
Legal Department
220 W. Main Street
Louisville, KY 40202
www.eon-us.com

March 22, 2006

Jim Dimas
Sr. Corporate Attorney
T 502-627-2562
F 502-627-3367
jim.dimas@eon-us.com

Elizabeth O'Donnell
Executive Director
Public Service Commission of Kentucky
211 Sower Boulevard
Frankfort, Kentucky 40602

**Re: *In the Matter of: Louisville Gas and Electric Company –
Alleged Failure to Comply with KRS 278.042, Case No. 2006-
00084***

Dear Ms. O'Donnell:

Enclosed please find an original and ten (10) copies of the Response of Louisville Gas and Electric Company to the Commission's Order of March 3, 2006 in the above-referenced docket.

Should you have any questions concerning the enclosed, please do not hesitate to contact me.

Sincerely,

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

James Dimas

C: James R. Goff

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

MAR 22 2006

PUBLIC SERVICE
COMMISSION

In the Matter of:

LOUISVILLE GAS AND)	
ELECTRIC COMPANY)	
_____)	CASE NO: 2006-00084
)	
ALLEGED FAILURE TO COMPLY)	
WITH KRS 278.042)	

LOUISVILLE GAS AND ELECTRIC COMPANY'S RESPONSE
TO THE COMMISSION'S ORDER OF MARCH 3, 2006 AND MOTION
TO SUSPEND HEARING AND SCHEDULE INFORMAL CONFERENCE

On March 3, 2006, 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 Incident Investigation Report ("Report") prepared by the Commission Staff and dated June 28, 2005. For its Response to the Commission's Order, LG&E states as follows:

1. LG&E admits that the information contained in the sections of the Report titled "Utility", "Reported By", "Incident Occurred", "Utility Notified", "PSC Notified", "PSC Investigated", "Report Received" and "Incident Location" is accurate.
2. 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.
3. LG&E admits the information contained in the sections of the Report titled "Witness" and "Information From" is accurate.

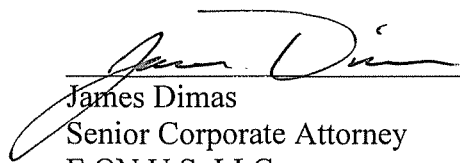
4. With regard to the section of the Report titled "Probable Violations", LG&E denies that it committed the alleged violations of KRS 278.042, which relate to NESC Rule 420.C.4 and to NESC Rule 422.A.1. LG&E further states that NESC Rule 420.C.4 requires employees who work on or in the vicinity of energized lines to consider all of the effects of their actions, taking into account their own safety as well as the safety of other employees on the job site, or on some other part of the affected electric system, the property of others, and the public in general. The employees of United Electric Company did consider the effects of their actions, and concluded that the use of a winch would effectively hold and raise the light standard. In addition, the United Electric Company employees also utilized a secondary rope, which was connected to the aluminum standard and tied to the rear of the truck, in order to prevent the base of the standard from moving. It was only after an unexpected gust of wind from an approaching storm caused the aluminum arm to swing that contact was made between the streetlight head and the 4 KV circuit. In addition, NESC Rule 422 (including Rule 422.A.1) is only applicable to employees "working on or with overhead lines." In this case, there were no plans for the crew to work on or with any overhead lines. For this reason, the crew was not in violation of any clearance codes, based upon the plans for completing the job and the manner in which the pole was rigged, and thus the crew did not utilize insulating gloves. Finally, should the Commission find a violation of both NESC Rules, it would be a violation of the state and federal constitutions to subject LG&E to multiple penalties for the same alleged failure to take necessary precautions to prevent an accident from occurring.

5. 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 April 7, 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. 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,

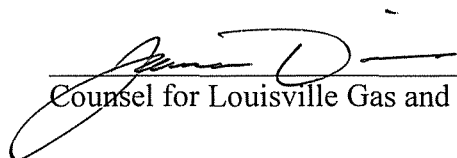

James Dimas
Senior Corporate Attorney
E.ON U.S. LLC
220 West Main Street
Louisville, Kentucky 40202
(502) 627-3712

*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 22nd day of March, 2006.

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


Counsel for Louisville Gas and Electric Company