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October 16, 2006

**VIA HAND DELIVERY**

**RECEIVED**

**OCT 16 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. 2006-00348  
Our File No.: 400001/123311**

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 26, 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

RECEIVED

OCT 16 2006

PUBLIC SERVICE  
COMMISSION

In the Matter of:

KENTUCKY UTILITIES COMPANY )  
\_\_\_\_\_ )

CASE NO: 2006-00348

ALLEGED FAILURE TO COMPLY )  
WITH KRS 278.042 )

**RESPONSE OF KENTUCKY UTILITIES COMPANY**  
**TO THE COMMISSION'S ORDER OF SEPTEMBER 26, 2006**  
**AND MOTION TO SUSPEND HEARING AND**  
**SCHEDULE INFORMAL CONFERENCE**

On September 26, 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 Incident Report ("Report") prepared by the Commission Staff and dated July 12, 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", "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", KU admits, based on its investigation, that the information is accurate, but affirmatively states that Mr. Waters was painting an area of the substation's steel structure that was directly over a deenergized breaker and apparently fell as he was repositioning between work locations. As Mr. Waters fell, he struck the top insulator of a 69 kV disconnect which remained energized. The contractor at issue was certified under KU's Passport program, and is

experienced in painting substations. In addition, Mr. Waters and the other workers were briefed about working safely in this environment before beginning work that day.


3. KU admits that the information contained in the sections of the Report titled "Victim", "Persons at Accident Scene at Time of Accident", "Notes" and "Information From" 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.

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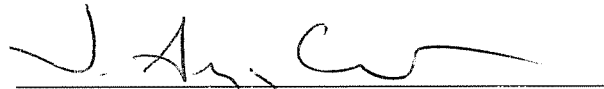
James Dimas  
Senior Corporate Attorney  
Kentucky Utilities Company  
220 West Main Street  
Louisville, Kentucky 40202

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 16th day of October, 2006.

Anita Mitchell  
Staff Counsel  
Public Service Commission  
211 Sower Blvd.  
Frankfort, Kentucky 40601

  
\_\_\_\_\_  
Counsel for Kentucky Utilities Company