



PPL companies

April 4, 2017

Dr. Talina Mathews
Executive Director
Public Service Commission of Kentucky
211 Sower Boulevard
Frankfort, Kentucky 40602

RE: Case No. 2017-00119

Dear Dr. Mathews:

Enclosed please find and accept for filing the original and ten copies of Louisville Gas and Electric Company's Response to the Commission's Order of March 15, 2017 and Motion to Suspend Hearing and Schedule Informal Conference in the above-referenced matter.

Should you have any questions regarding the enclosed, please contact me at your convenience.

Sincerely,

A handwritten signature in blue ink that reads "Sara Veeneman".

Sara Veeneman

RECEIVED

APR 04 2017

PUBLIC SERVICE
COMMISSION

LG&E and KU Energy LLC

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**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

**LOUISVILLE GAS AND
ELECTRIC COMPANY**

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CASE NO. 2017-00119

**ALLEGED FAILURE TO COMPLY
WITH KRS 278.042**

**RESPONSE OF LOUISVILLE GAS AND ELECTRIC COMPANY
TO THE COMMISSION'S ORDER OF MARCH 15, 2017
AND MOTION TO SUSPEND HEARING AND
SCHEDULE INFORMAL CONFERENCE**

On March 15, 2017, 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 Accident Investigation Staff Report (“Report”) prepared by the Commission Staff dated August 11, 2016. For its Response to the Commission’s Order, LG&E states as follows:

- 1) LG&E admits the information contained in the sections of the Report titled “Date of Incident,” “Location of Incident,” “Name of Operator,” and “Operator Type” are correct.
- 2) LG&E admits that the information contained in the section of the Report titled “Incident Description” is accurate other than the number of LG&E employees on site at the time of the incident. William Norton was the only LG&E employee on site. Nick Thompson was erroneously listed as a witness on LG&E’s 30-day Report.
- 3) LG&E admits that the information contained in the section of the Report titled “Response to Incident” is accurate other than the following:

- a) the time the gas was shut-off was 20:29; and
- b) 32 customers remained un-lit as of the date of the filing of LG&E's 30-day report, October 17, 2014.

4) LG&E admits that the information contained in the sections of the Report titled: "Investigation," "Description of Mechanical Compression Coupling," and "GTI Failure Analysis" are accurate.

5) With regard to the section of the Report titled "Findings" LG&E denies that it committed any willful violation of 49 CFR § 192.605 or 807 KAR 5:022.

FIRST AFFIRMATIVE DEFENSE

With regard to Finding No. 6 alleging that LG&E operated its pipeline in excess of MAOP in violation of LG&E's GOM&I Plan, LG&E notes that KRS 278.990 authorizes the assessment of penalties only when a person "willfully violates" a Commission statute or regulation or fails to obey a Commission Order. In this case, LG&E did not willfully violate its GOM&I Plan.

NOW THEREFORE, LG&E requests that this case be dismissed or, in the alternative, that the hearing date set for July 12, 2017 be suspended and that an informal conference be scheduled with the Commission Staff for the purposes 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 liability or fault on its part.

Dated: April 4, 2017

Respectfully Submitted,



Allyson K. Sturgeon
Senior Corporate Attorney
Sara Veeneman
Corporate Attorney
Louisville Gas and Electric Company
220 West Main Street
Louisville, KY 40202
(502) 627-2088
*Counsel for Louisville Gas and Electric
Company*

CERTIFICATE OF SERVICE

I hereby certify a true and accurate copy of the foregoing was sent via U.S. First Class mail to the below person on the 4th day of April, 2017.

Virginia Gregg
Staff Counsel
Kentucky Public Service Commission
211 Sower Blvd.
Frankfort, KY 40601



SARA VEENEMAN