

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

LOUISVILLE GAS AND ELECTRIC COMPANY)
and)
BELLSOUTH TELECOMMUNICATIONS, INC)
_____) CASE NO. 96-246
)
ALLEGED VIOLATIONS OF ADMINISTRATIVE)
REGULATION 807 KAR 5:041, SECTION 3 AND)
807 KAR 5:061, SECTION 3)

O R D E R

On June 11, 1996, the Commission directed the Louisville Gas and Electric Company ("LG&E") to appear before it and show cause why it should not be penalized pursuant to KRS 278.990(1) for its alleged violation of Commission Regulation 807 KAR 5:041, Section 3. On August 1, 1996, the Commission issued a similar directive to BellSouth Telecommunications, Inc. ("BellSouth") for an alleged violation of Commission Regulation 807 KAR 5:061, Section 3. BellSouth, LG&E, and Commission Staff subsequently entered into negotiations to resolve all outstanding issues in this proceeding. On June 16, 1998, they executed a Settlement Agreement, appended hereto, and jointly moved for Commission approval of that Agreement.

In reviewing this Settlement Agreement, the Commission has considered, inter alia, the circumstances surrounding the December 28, 1995 incident, BellSouth's and LG&E's efforts to comply with the Commission's safety regulations and the potential public safety benefits of the proposed seminar program. The Commission finds that the Settlement

Agreement is in accordance with the law, does not violate any regulatory principle, results in a reasonable resolution of this case, and is in the public interest.

IT IS THEREFORE ORDERED that:

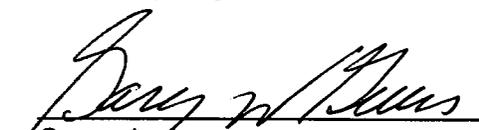
1. The Settlement Agreement, appended hereto, is incorporated into this Order as if fully set forth herein.
2. The terms and conditions set forth in the Settlement Agreement are adopted and approved.
3. Within 30 days of the completion of the final safety seminar, BellSouth and LG&E shall submit to the Commission a written report that includes a general description of the curriculum and seminar instructors, an itemized statement of seminar expenses, a general description of seminar attendees, a summary of evaluation questionnaire comments, recommendations regarding future safety seminars, and any other appropriate information.
4. This case is closed and shall be removed from the Commission's docket.

Done at Frankfort, Kentucky, this 14th day of July, 1998.

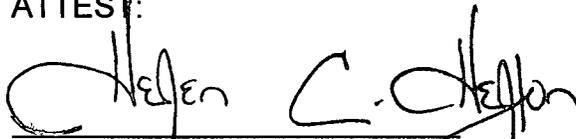
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

AN APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE

COMMISSION IN CASE NO. 96-246 DATED JULY 14, 1998

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

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PUBLIC SERVICE
COMMISSION

In the Matter of:

LOUISVILLE GAS AND ELECTRIC COMPANY)
and)
BELLSOUTH TELECOMMUNICATIONS, INC.)
ALLEGED VIOLATION OF COMMISSION) CASE NO. 96-246
REGULATIONS 807 KAR 5:041, SECTION 3)
AND 807 KAR 5:061, SECTION 3)

SETTLEMENT AGREEMENT

THIS AGREEMENT is made and entered this 16th day of June 1998, by and between the STAFF OF THE PUBLIC SERVICE COMMISSION OF KENTUCKY ("Commission Staff"), LOUISVILLE GAS AND ELECTRIC COMPANY ("LG&E") and BELLSOUTH TELECOMMUNICATIONS, INC. ("BellSouth").

WITNESSETH:

THAT WHEREAS, the Commission Staff issued an Accident Investigation Report dated May 14, 1996, ("Investigation Report") detailing its investigation of an incident which occurred on December 28, 1995, in Louisville, Kentucky; and

WHEREAS, on June 11, 1996, the Public Service Commission found a probable violation of LG&E with Administrative Regulation 807 KAR 5:041, Section 3, and ordered LG&E to show cause why it should not be subject to the penalties of KRS 278.990(1) for its alleged violation of that regulation; and,

WHEREAS, on August 1, 1996, the Public Service Commission found a probable violation of BellSouth with Administrative Regulation 807 KAR 5:061, Section 3, and ordered BellSouth to show cause why it should not be subject to the penalties of KRS 278.990(1) for its alleged violation of that regulation; and,

WHEREAS, LG&E, BellSouth, and Commission Staff desire to settle the issues raised by this proceeding.

NOW, THEREFORE, LG&E, BellSouth, and Commission Staff agree that:

BellSouth and LG&E shall jointly sponsor 10 seminars on utility-related safety issues throughout the state of Kentucky. The general parameters of the seminars are as follows:

Seminars will be held in Louisville, Lexington, Pikeville, Owensboro, and Paducah. Two seminars will be held per day at each location. Each seminar will be three hours in duration. The first seminar will run from 9:00 a.m. to 12:00 p.m. The second seminar will run from 1:30 p.m. to 4:30 p.m. These seminars shall begin no later than August 15, 1998. All seminars shall be completed by December 31, 1998. These seminars shall be open to public at no charge. Each person attending these seminars will be provided at no cost a binder or folder containing reference and discussion materials and other pertinent safety information. Refreshments for the attendees shall be provided at each seminar.

Each seminar shall be held at a location that will comfortably accommodate a minimum of 100 attendees. BellSouth and LG&E shall ensure that adequate refreshments and material supplies at each seminar location for that level of attendance. If public response to a seminar exceeds this level, BellSouth and LG&E shall make reasonable efforts to accommodate the audience level. A tape of the safety seminar dry run will be recorded on videotape. BellSouth and LG&E shall arrange for the recording of duplicate copies of this videotape and shall make these copies available for use by the general public. They may charge any person requesting duplicate videotape a reasonable fee to cover the cost of duplication. At the conclusion of each seminar, each attendee must be given the opportunity to complete an evaluation questionnaire addressing the quality of the seminar. Prior to the first seminar, BellSouth and LG&E shall submit their proposed evaluation questionnaire to Commission Staff for its review and approval.

BellSouth and LG&E agree to bear the cost of planning and conducting the safety seminars. Such costs shall include, but are not limited to, advertising costs, room rental, equipment rental, refreshments, postage for direct mailings, trainers' expenses, development and duplication of seminar instruction materials, and videotaping expenses. BellSouth and LG&E estimate the total cost of these seminars at \$30,500. Regardless of the

final cost of these seminars, BellSouth and LG&E shall conduct ten safety seminars. The targeted audience for these seminars shall be persons who work in the electric, telephone, or cable television industry, and who install, repair, maintain or remove equipment located on utility poles or near electric supply or communications conductors, and who do not have access to an in-house safety training program. BellSouth and LG&E shall exercise reasonable efforts to advertise these seminars to the targeted audience. These efforts shall include direct mailing of promotional brochures to the members of interested organizations (e.g., the Kentucky Telephone Association, Home Builders Associations, local chapters of the International Brotherhood of Electrical Workers) and the issuance of news releases and public service announcements to local newspapers and radio and television stations.

BellSouth and LG&E shall not substitute or supplement their existing safety training program by promoting or requiring their employees' attendance at these seminars. They shall discourage the attendance of those persons who have access to an in-house safety training program operated by any utility whose annual revenues in 1997 exceeded \$100,000,000.

BellSouth and LG&E shall develop a curriculum for these safety seminars. Only that curriculum which Commission Staff has reviewed and approved shall be used. Commission Staff shall

promptly review and comment in writing upon the BellSouth and LG&E's submissions. During the course of preparing and conducting the safety seminars, BellSouth and LG&E shall provide periodic reports to Commission Staff on the progress of the seminars.

Within 30 days of the completion of the final safety seminar, BellSouth and LG&E shall submit to the Public Service Commission a written report that includes a general description of the curriculum and seminar instructors, an itemized statement of seminar expenses, a general description of seminar attendees, a summary of evaluation questionnaire comments, recommendations regarding future safety seminars, and any other appropriate information.

BellSouth and LG&E shall not promote their products or services or those of any affiliated entity in any seminar advertisement or at any seminar.

BellSouth designates Joan Duncan, Assistant Manager-Regulatory, BellSouth Telecommunications, Inc. P. O. Box 32410, Louisville, Kentucky 40232, to receive any official notices, communications, or inquiries regarding the planning and conduct of the safety seminars. LG&E designates Greg Ferguson, Regional Regulatory Coordinator, Louisville Gas and Electric Company, 220 West Main Street, Post Office Box 32010, Louisville, Kentucky 40232, to receive any official notices, communications, or

inquiries regarding the planning and conduct of the safety seminars. Commission Staff designates Martha Morton, Public Service Commission, P. O. Box 615, Frankfort, Kentucky 40602-0615, to receive any official notices, communications, or inquiries regarding the planning and conduct of the safety seminars.

This Settlement Agreement resolves all issues arising out of the December 28, 1995, incident. This Agreement is subject to the acceptance of and approval by the Public Service Commission. 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 any signatory.

BellSouth and LG&E admit no liability as a result of this proposed Settlement Agreement, regardless of whether it is accepted and approved by the Public Service Commission or not. This Settlement Agreement and the statements contained herein may not be cited as precedent in any other matter or proceeding.

If the Public Service Commission accepts and adopts this Settlement Agreement in its entirety and enters an order in this proceeding to that effect, BellSouth and LG&E shall not apply for rehearing in this proceeding nor bring an action for review of that order. Nothing contained herein shall be construed as an

admission of a violation of any Public Service Commission regulation nor an admission of liability nor shall the Public Service Commission's acceptance of this agreement be construed as a finding of a violation of a Public Service Commission regulation.

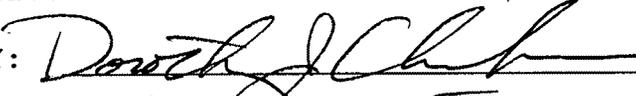
IN WITNESS WHEREOF, BellSouth, LG&E, and Commission Staff have executed this Settlement Agreement the day and year first above written by and through their duly authorized attorneys.

STAFF OF PUBLIC SERVICE COMMISSION
OF KENTUCKY

BY: 

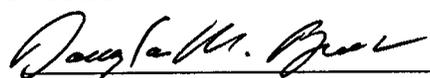
TITLE: Staff Attorney

BELLSOUTH TELECOMMUNICATIONS, INC.

BY: 

TITLE: General Attorney

LOUISVILLE GAS AND ELECTRIC CO.

BY: 

TITLE: Senior Counsel Specialist, Regulatory