

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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| LOUISVILLE GAS AND ELECTRIC COMPANY |) | |
| |) | |
| _____ |) | CASE NO. |
| |) | 99-077 |
| FAILURE TO COMPLY WITH COMMISSION |) | |
| REGULATION 807 KAR 5:041, SECTION 3(1) |) | |

O R D E R

By Order dated March 10, 1999, the Commission directed Louisville Gas and Electric Company (LG&E) to appear at a hearing on April 15, 1999 to show cause why it should not be subject to the penalties provided for under KRS 278.990 for four probable violations of Commission Regulation 807 KAR 5:041, Section 3(1), which requires utility facilities to be maintained in accordance with the National Electrical Safety Code, 1990 Edition (NESC). More specifically, the cited NESC violations were of Rule 411.A.3, which requires employees to be instructed as to the character of the equipment that they are to use; NESC Rule 411.E, which requires the proper identification of supply circuits in a metal cabinet; NESC Rule 420.H, which requires employees to use the personal protective equipment and devices provided for their work; and NESC Rule 420.J.3, which prohibits the use of metal ladders when working on or in the vicinity of energized parts.

The probable violations arose from an August 3, 1998 accident at LG&E s Waterside Station in Louisville, Kentucky. Two LG&E employees were troubleshooting a three-phase electrical system for an air conditioning unit when they opened a metal cabinet labeled 480-volt line and attempted to check the voltage with a meter set on

the 750-ACV scale. An arc and explosion occurred resulting in flash burns to both employees due to the fact that the voltage in the cabinet was actually 4 KV. At LG&E s request, the hearing was held in abeyance and an informal conference was convened to provide an opportunity to discuss the operative facts surrounding the accident. LG&E appeared at the conference and the discussion with Commission Staff resulted in the filing of a Stipulation of Facts and Agreement (Stipulation) on November 2, 1999.

The Stipulation, attached hereto as Appendix A and incorporated herein by reference, sets forth the relevant facts surrounding the accident, discusses the remedial measures taken by LG&E since that time, and provides for LG&E to pay a civil penalty in the amount of \$5000 in full satisfaction of the probable violations.

In determining whether the results of the Stipulation are in the public interest and are reasonable, the Commission has taken into consideration the comprehensive nature of the settlement and LG&E s willingness to cooperate to achieve a speedy resolution of this proceeding. Based on the evidence of record and being otherwise sufficiently advised, the Commission finds that the Stipulation is in accordance with the law and does not violate any regulatory principle. The Stipulation is the product of arms-length negotiations among capable, knowledgeable parties, is in the public interest, and results in a reasonable resolution of all issues in this case.

IT IS THEREFORE ORDERED that:

1. The Stipulation is adopted and approved in its entirety as a complete resolution of all issues in this case.

2. LG&E shall pay \$5000 as a civil penalty within 30 days of the date of this Order by certified check or money order payable to the Kentucky State Treasurer and mailed or delivered to the Office of General Counsel, Public Service Commission, 730 Schenkel Lane, Frankfort, Kentucky 40601.

Done at Frankfort, Kentucky, this 17th day of November, 1999.

By the Commission

ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE
KENTUCKY PUBLIC SERVICE COMMISSION
IN CASE NO. 99-077
DATED NOVEMBER 17, 1999