

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

KENTUCKY UTILITIES COMPANY)	
_____)	
ALLEGED FAILURE TO COMPLY WITH)	CASE NO. 1998-054
ADMINISTRATIVE REGULATION 807 KAR 5:041,)	
SECTION 3)	

ORDER

On February 4, 1998, the Commission directed Kentucky Utilities Company ("KU") to appear before us 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. Upon KU's motion, the Commission ordered this proceeding be held in abeyance pending the outcome of judicial proceedings on the Commission's authority to assess a penalty against an electric utility for the failure of its contractors to operate and maintain the electric utility's facilities in accordance with Commission regulations. When the courts of this Commonwealth had rendered a decision and ascertained the scope and nature of the Commission's authority, we on October 1, 2001 ordered the resumption of these proceedings. Shortly thereafter, KU and Commission Staff entered into negotiations to resolve all outstanding issues in this proceeding. On November 9, 2001, 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 the circumstances surrounding the March 18, 1997 incident. 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 10 days of the date of this Order, KU shall pay to the Commonwealth of Kentucky the sum of Five Thousand Two Hundred Fifty (\$5,250) Dollars. This payment shall be in the form of a cashier's or certified check made payable to "Treasurer, Commonwealth of Kentucky" and shall be mailed or delivered to: Office of General Counsel, Public Service Commission of Kentucky, 211 Sower Boulevard, Post Office Box 615, Frankfort, Kentucky 40602.

4. This case is closed and shall be removed from the Commission's docket.

Done at Frankfort, Kentucky, this 5th day of December, 2001.

By the Commission

ATTEST:


Executive Director

APPENDIX A
AN APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 1998-054 DATED DECEMBER 5, 2001

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ALLEGED FAILURE TO COMPLY WITH)
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SETTLEMENT STIPULATIONS

THIS AGREEMENT is made and entered into this 9th day of November, 2001, by and between the Staff of the Public Service Commission of Kentucky ("Commission Staff") and Kentucky Utilities Company ("KU").

WITNESSETH:

THAT, WHEREAS KU is a Kentucky corporation that owns and operates facilities used in the distribution of electricity to the public for compensation for light, heat, power, and other uses; and,

WHEREAS, on March 18, 1997, an incident occurred while two employees of Davis H. Elliott Company, Inc. were changing out a three phase double dead end utility pole in Columbia, Kentucky, that KU owned and operated; and,


WHEREAS, at the time of the incident, KU had contracted with Davis H. Elliot, Inc. to construct and install certain utility plant,

WHEREAS, on May 6, 1997, Commission Staff issued a Utility Accident Investigation Report regarding this incident in which Commission Staff found that the two employees of Davis H. Elliott Company, Inc. in question had failed either jointly or severally to comply with certain provisions of the National Electrical Safety Code (1990 edition) ("NESC"); and,

6. If the Public Service Commission accepts and adopts this Settlement Agreement in its entirety and enters an Order in this proceeding to that effect, KU shall not apply for rehearing in this proceeding nor bring an action for review of the Order in Franklin Circuit Court.

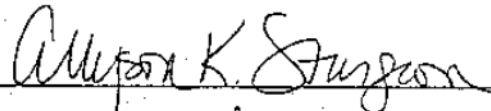
IN WITNESS WHEREOF, KU and Commission Staff have executed this Settlement Agreement the day and year first above written by and through their duly authorized attorneys.

STAFF OF PUBLIC SERVICE COMMISSION
OF KENTUCKY

BY: 

TITLE: Asst. General Counsel

KENTUCKY UTILITIES COMPANY

BY: 

TITLE: counsel