COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

LOUISVILLE GAS AND ELECTRIC COMPANY

FAILURE TO COMPLY WITH COMMISSION REGULATION 807 KAR 5:041, SECTION 3(1) CASE NO. 2002-00165

<u>ORDER</u>

On June 14, 2002, the Commission issued an Order directing Louisville Gas and Electric Company (LG&E) to appear at a hearing scheduled for July 23, 2002, and be prepared to show cause why LG&E should not be penalized pursuant to KRS 278.990 for alleged violations of Commission Regulation 807 KAR 5:041, Section 3(1).

An informal conference was held at the Commission on July 11, 2002 to discuss matters at issue in this proceeding. As a result of that conference, Commission Staff and LG&E are currently attempting to negotiate a settlement in this matter. The Commission therefore finds that the hearing scheduled for July 23, 2002 should be cancelled pending the outcome of these discussions.

IT IS THEREFORE ORDERED that the hearing scheduled for July 23, 2002 is cancelled, to be rescheduled at a later date if necessary.

Done at Frankfort, Kentucky, this 22nd day of July, 2002.

By the Commission

ATTEST:

Executive Director