

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

KENTUCKY UTILITIES COMPANY)	
)	
_____)	CASE NO. 2002-00049
)	
ALLEGED FAILURE TO COMPLY WITH)	
ADMINISTRATIVE REGULATIONS)	
807 KAR 5:006, SECTION 24, AND)	
807 KAR 5:041, SECTION 3)	

O R D E R

By Order dated June 25, 2002, the Commission initiated this investigation to determine whether Kentucky Utilities Company (KU) should be subjected to the penalties prescribed in KRS 278.990 for alleged violations of 807 KAR 5:006, Section 24, and 807 KAR 5:041, Section 3. The alleged violations are set forth in a Utility Accident Investigation Report (Report) which was prepared by Commission Staff and attached as an appendix to the June 25, 2002 Order.

KU was directed to file a response to the allegations set forth in the Report and to show cause, if it could, why penalties should not be imposed. KU timely filed its response in which it denied that it willfully committed any violation. It requested that the Commission dismiss the action or, in the alternative, schedule an informal conference with Commission Staff. An informal conference was conducted during which Commission Staff and representatives of KU entered into negotiations to resolve all outstanding issues in this proceeding. Agreement was reached on settlement, which

was subsequently reduced to writing and executed for Commission approval. Thereafter, KU and Commission Staff agreed to supplement the Settlement Agreement and executed an Addendum to Settlement Agreement. A copy of each Agreement is appended hereto as Appendix A and Appendix B, respectively.

After reviewing the Settlement Agreement and the Addendum to Settlement Agreement, the Commission finds that the agreements are in accordance with law, do not violate any regulatory principle, result in a reasonable resolution of this case, and are in the public interest.

IT IS THEREFORE ORDERED that:

1. The Settlement Agreement and Addendum to Settlement Agreement, appended hereto, are incorporated into this Order as if fully set forth herein.

2. The terms and conditions set forth in the Settlement Agreement and the Addendum to 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 Three Thousand Five Hundred Dollars (\$3,500). This payment shall be in the form of a cashier's check made payable to the Treasurer, Commonwealth of Kentucky and shall be mailed or delivered to the Office of General Counsel, Public Service Commission of Kentucky, 211 Sower Boulevard, Post Office Box 615, Frankfort, Kentucky 40602.

4. Upon payment of the sum set forth in Ordering Paragraph 3, this case shall be closed and removed from the Commission's docket without further Order.

Done at Frankfort, Kentucky, this 22nd day of December, 2003.

By the Commission

ATTEST:


Executive Director

Case No. 2002-00049

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2002-00049 DATED December, 22, 2003

(See document named 200200049_12222003apx.pdf for appendix)

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2002-00049 DATED December 22, 2003

(See document named 200200049_12222003apx.pdf for appendix)