

Goss • Samford PLLC



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(859) 368-7740

July 17, 2013

RECEIVED

JUL 17 2013

PUBLIC SERVICE
COMMISSION

Via Hand Delivery

Mr. Jeffrey Derouen
Executive Director
Kentucky Public Service Commission
P.O. Box 615
211 Sower Boulevard
Frankfort, KY 40602


Re: PSC Case No. 2013-00158, In the Matter of: South Kentucky RECC
Alleged Failure to Comply With KRS 278.042

Dear Mr. Derouen:

Enclosed please find for filing with the Commission in the above-referenced case an original and ten (10) copies of the Response to Informal Conference Memorandum on behalf of South Kentucky Rural Electric Cooperative Corporation. Please a return file-stamped copy to me.

Do not hesitate to contact me if you have any questions.

Sincerely yours,



David S. Samford

Enclosures

M:\Clients\7100 - South Kentucky Rural Electric Coop Corp\
Correspondence\Lt. to Jeff Derouen - 130717.docx

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED
JUL 17 2013
PUBLIC SERVICE
COMMISSION

In the Matter of:

SOUTH KENTUCKY RECC

ALLEGED FAILURE TO COMPLY
WITH KRS 278.042

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CASE NO.
2013-00158

**SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION'S
RESPONSE TO INFORMAL CONFERENCE MEMORANDUM**

Comes now South Kentucky Rural Electric Cooperative Corporation ("SKRECC" or "South Kentucky"), by and through counsel, and makes its response to the Informal Conference Memorandum of July 1, 2013, as follows:

I. Procedural History

On July 30, 2012, Ronnie Parrett, a SKRECC lineman, sustained injuries to both arms and hands after making contact with an energized 7200-volt conductor while working on a job site at 2750 East Williamsburg Road in Whitley City, McCreary County, Kentucky.

As a result of this incident, the Kentucky Public Service Commission ("Commission"), by and through Mr. Jeffrey C. Moore, Electric Utility Investigator, Engineering Division, investigated the facts leading up to and following the injury. Mr. Moore reduced his findings to an Incident Investigation Report ("the Report") dated December 3, 2012.

This Report resulted in a Show Cause Order by the Commission dated May 6, 2013 which:

1. Alleged that SKRECC violated KRS 278.042 and 18 provisions of the National Electric Safety Code (“NESC”) and of SKRECC’s Safety Manual¹;
2. Required SKRECC to respond to the allegations contained in the Report within twenty (20) days; and,
3. Scheduled a hearing at the Commission on August 27, 2013 for the purpose of presenting evidence concerning the alleged violations referenced above and showing cause why SKRECC should not be subject to the penalties prescribed in KRS 278.990(1).

On June 7, 2013, SKRECC filed its formal Response to the Commission’s May 6, 2013 Order. Subsequently, on June 27, 2013, an Informal Conference was held at the Commission’s Offices to discuss all aspects of the case.

Following that Informal Conference, Commission Staff provided a Memorandum which summarized the discussion held at the Informal Conference and which also requested that SKRECC provide:

1. Specific and detailed documentation addressing its corrective actions, revised safety policies and training programs put into place following this accident;
2. Explicit information pertaining to the policies and procedures SKRECC has or will enact pertaining to the vine management program;
3. Itemized monetary costs incurred by the institution of the training programs, safety policies, vine management and methods and the purchase of related equipment and material;
4. The material factual issues contained in the Report to which it does and does not agree;

¹ SKRECC had adopted as its safety manual the American Public Power Association (“APPA”) Safety Manual, 14th Ed. (2008) at the time of the incident.

5. All of this information should be filed by July 18, 2013.

SKRECC's compliance with these requests follows.

**II. Discussion of Specific Corrective Actions, Vine Management Program,
And Monetary Costs Associated with Employee Training, Vine
Management and Equipment and Material**

A. Corrective Action and Vine Management Program

Ronnie Parrett was injured while trying to remove a vine that was growing up a single phase dead end pole which was energized. He was ascending beside the pole in an insulated bucket and removing vines while moving up the side of the pole. SKRECC believes the vine made contact with the 7,200 volt stinger wire which runs from the primary conductor to the high side bushing on the transformer. Immediately after the contact the other crew members on site issued a "mayday" call and began bucket rescue. Mr. Parrett was removed from the bucket and evacuated by ambulance to the local helipad where he was picked up by helicopter and flown to the University of Kentucky burn center.

The following morning, July 31, 2012, South Kentucky's Vice President of Engineering and Operations, Dennis Holt, met with the Somerset Construction and Right-of-Way employees and advised them of the facts of the accident. All employees were informed to treat vines extending near the primary line or primary bushing on a transformer as potentially energized and the line should be de-energized and/or rubberized insulating safety cover up used to isolate the vine from the primary wire before it is removed. In addition, the same message was relayed by Mr. Holt to all district office operation managers via telephone with known details of the accident and instructions to treat all vines as energized if they are near the primary conductor.

On August 8, 2012, Mr. Holt met with Paul Merrick, South Kentucky's Right-of-Way Manager and they decided for the in-house right-of-way employees to utilize rainy days to drive

the system and cut vines from the ground and clear around the base of the pole. By cutting a gap in the vine it will kill any growth going up the pole and delay the re-growth of the vine. In addition, the pruners used to cut the vines would be made available to all servicemen and construction crews so they could also cut vines while performing their routine duties. Instructions were also given during the handout of these pruners that all vines located near an energized conductor should be treated as energized and not cut from the ground without de-energizing the line or utilizing insulated cover up.

On August 16, 2012, Mike Higgenbotham, the crew foreman on the job site went over the details of the accident with all employees and again emphasis was put on treating vines as potentially energized.² At this same safety meeting, SKRECC introduced a new product which could be used for removing vines from primary lines from the ground safely by using an insulated extend-stick and rubber gloves. The device is called a “de-viner” and SKRECC ordered three units for testing with the intention of stocking them on all trucks if they proved to be a solution to the problem. After several weeks of testing it was determined that in many instances the de-viners were causing significant problems with telephone and cable TV drops as they were being damaged while removing the vines.

During the remainder of the foliage season vines were cut and removed from dozens of poles; however, as the foliage began to emerge in May 2013, and the advent of a wet spring and summer has caused significant foliage growth, it has become evident that cutting alone will not control the re-growth of some vines as they have already returned and grown several feet up poles that were just cleared last fall. It is also evident that in addition to cutting the vines a herbicide application must be applied to control the growth. This can be problematic in several areas as SKRECC cannot apply herbicide in the Daniel Boone National Forest and also herbicide

² An attendance sheet for this meeting is attached hereto as Exhibit 1.

used in back yards and around cropland could damage lawns and or crops. There are also other limitations on utilizing herbicides as they cannot be applied after foliage has fallen from the deciduous plants and they cannot be applied near streams of water or in windy conditions. Mr. Merrick and Mr. Holt met with a representative from Dupont Chemical Company on May 23, 2013 to discuss these concerns and were advised that there are various herbicide mixtures that would kill the vine and not harm the lawn and/or crop. In addition DOW chemical also has different mixtures of various herbicides to obtain the best result; however, this still does not address the ban on herbicides in the Daniel Boone National Forest.

South Kentucky recognizes that vines growing on utility poles can pose a danger to line technicians and to the general public, if the vines are growing into the high voltage wires. They can also present a climbing hazard for line technicians including telephone and cable employees. Historically, SKRECC has removed vines from poles during regular scheduled trim cycles and also during on-going hammer sound inspections. In addition, large concentrations of vines have been written up during routine inspection and service orders given to SKRECC's right-of-way department to cut and clear the vines.

In order to better control vine growth it has become evident that SKRECC's in-house crews are not able to cover the entire system for vine removal as the herbicide must be applied in dry weather and reallocating the in-house right-of-way employees during this time would lead to significant lag times in responding to member needs on tree trimming and removal. In 2012 South Kentucky performed 1,736 right-of-way service orders.

SKRECC therefore took bids from its existing right-of-way contractors for providing a two man crew to work specifically on vines located throughout the system. Phillips Tree Experts will be adding the two man crew and they will be doing vine removal and spraying during the

foliage season until the entire system has been covered. SKRECC estimates this will take two years to perform. After the initial clearing of vines SKRECC will have identified any heavy vine growth areas (particularly kudzu) and will be making special efforts to check and trim these areas on an annual basis. All vines encountered on a pole and/or guy wire are to be cut at the base of the facility and herbicide applied in areas where it is permissible to do so. Vines shall never be pulled off energized facilities when at or above energized equipment. In the event vines are found to be at or above energized equipment the vine is to be removed from the area with an insulated extension stick, or the line de-energized and the vine removed, or rubber cover-up applied to the line prior to vine removal.

To better facilitate this work and obtain the best efficiency, a South Kentucky Employee will need to be assigned to drive and scout the area in front of the vine crew. There are many lines and areas that have no vine issues and it would be more cost effective to utilize a South Kentucky Employee to spot individual poles and record the pole number. The assigned vine crew could then drive directly to the pole in question and perform their work utilizing a GPS unit with digital maps of South Kentucky's poles and lines installed.

While re-growth can occur in some areas and complete control will be an ongoing effort SKRECC feels this new program will identify and control ongoing vine issues throughout the system.

South Kentucky is also in the process of changing from the 14th Edition of the American Public Power Association (APPA) Safety Manual to the 15th Edition. Its in-house safety committee has been meeting and has reviewed all sections and subsections of the safety manual and assigned a corrective action for every potential violation. Once this is in place, SKRECC will be moving from a "five foot rule" in which an employee working on an ungrounded

energized line must put on rubber gloves and sleeves before approaching within five feet of the energized line to a “ground to ground; cradle to cradle” rule which requires employees to utilize rubber gloves and sleeves from the moment they leave the ground or cradle on a bucket truck until they return to the ground or cradle. Employees are aware of this change and have already made this adjustment.

Also, going forward South Kentucky plans on making it company policy to perform annual training for all employees on the dangers of vine growth on its poles and the need to safely isolate the vine from the power source through de-energizing the line or insulating the vine from any energized line with rubber cover up.

B. Monetary Costs Associated with Employee Training, Vine Management and Equipment and Material

South Kentucky has not tracked the specific amount spent on vine removal since the accident but conservatively estimates that 2% to 3% of the time spent by in-house and contract right-of-way crews, was spent removing and/or spraying vines. This would represent \$54,000 to \$81,000 for the 2012 calendar year as the right-of-way budget for South Kentucky was slightly over \$2.7 million last year. SKRECC is able to quantify several expenditures related to addressing the accident and vine removal. They are as follows:

1. On July 31, 2012 approximately one hour was spent with each outside employee reviewing the accident. In the Somerset office the accident was reviewed by the operations manager and in each district office it was reviewed by the district construction manager. This cost was approximately \$2,646.³

2. On August 16, 2012 three safety meetings were held throughout the day with all employees to review the accident and discuss vine safety and our proposal to utilize de-viners to

³ This cost is itemized in Exhibit 2 attached.

address the issue. Each safety meeting lasted approximately 2 hours. In addition, employees from three district offices have a one-half hour drive time each way resulting in a three hour commitment. One of the district office requires almost one hour drive time which results in four hours for each employee to attend the meeting and several employees were required to be at all three meetings (executive staff, CEO, safety department and the crew leader involved in the accident) these employees spent six hours in the safety meetings. This resulted in a final cost of \$13,256.81, excluding vehicle costs for transportation to and from the Somerset Office from the districts.⁴

3. SKRECC has not tracked the daily vine removal performed by its right-of-way employees; however, SKRECC has devoted three specific days to vine removal by these employees and their cost for these three days was \$6,218.31, inclusive of labor and fringe benefit costs, but not transportation costs.⁵

4. Prior to the accident South Kentucky had purchased vine pruners for many of its outside employees over the last several years. SKRECC has included only the cost of pruners, sprayers, and de-viners purchased since the accident (only three de-viners were purchased for testing purposes and found to cause damage to phone and cable T.V. lines). These costs total \$417.71.⁶

5. Going forward South Kentucky will have one employee and one two man contract crew assigned to perform vine removal. The cost of this employee including his transportation

⁴ This cost is itemized in Exhibit 3 attached.

⁵ This cost is itemized in Exhibit 4 attached.

⁶ This cost is itemized in Exhibit 5 attached.

and fringe benefits and the cost of the right-of-way crew are estimated to be ongoing for 18 months to two years. The total estimated cost of this is \$217,146 on an annual basis.⁷

6. The total amount of quantifiable costs for vine control to date is \$22,537,81, and the amount expected to be spent in the future for vine control is \$217,146.⁸

III. Material Factual Issues

SKRECC essentially agrees with all of the material factual issues contained in the Report. However, SKRECC states that the judgment made by its personnel in this incident was not inconsistent with policies and procedures then in effect and was not a willful violation of any law, rule, order or policy.

IV. Conclusion

Hopefully, from the lengthy discussion between SKRECC and Commission Staff held at the June 27, 2013 Informal Conference, and the written explanation of the numerous mitigation activities taken by SKRECC in the hours, days and months following this incident, it should be abundantly clear that SKRECC takes very seriously its obligation to provide and foster a safe work environment for its employees and customers.

Ronnie Parrett has been a dedicated employee and member of the SKRECC family for more than nine years. SKRECC regrets that the incident resulting in Mr. Parrett's injuries ever happened. Although the facts surrounding the incident are unique and the serious result not easily foreseen, SKRECC has learned a valuable lesson regarding the ability of an otherwise seemingly harmless vine to act as a conductor of electricity. This lesson has resulted in an immediate and dedicated effort by SKRECC, at substantial future expense, to put into place the aggressive vine management program described above.

⁷ This cost is itemized in Exhibit 6 attached.

⁸ These costs are contained in Exhibit 7 attached.

While SKRECC wishes that Mr. Parrett's injuries had never occurred, they have been the catalyst for the implementation of a program which should prevent a similar incident from ever happening again.

SKRECC appreciates the attention which the Commission has paid to this incident and its willingness to work with SKRECC to fix the problem.

SKRECC respectfully requests that the Commission accept the above described mitigation efforts as an adequate and effective response to this situation, and, further, that the Commission dismiss the Show Cause portion of this case and determine that no penalty under KRS 278.990 should be assessed against SKRECC.

This 17th day of July, 2013.

Respectfully submitted,



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Lexington, Kentucky 40504
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*Counsel for South Kentucky Rural
Electric Cooperative Corporation*

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**SOUTH KENTUCKY RECC
SAFETY & TRAINING
MEETING**

TOPIC
Accident Review, Minimum Approach Distance
LO/TO

INSTRUCTOR
EB MR

TIME
7:30

DATE
8/16/12

PRINT NAME	TEAM	SIGNATURE
HARLA STOUT	CONST	Harlan Stout
Edward Black	Safety	Edward Black
DENNIS HOLT	Engineering + Operations	Dennis Holt
Dave Cundiff	CONST	Dave Cundiff
Ratney Jones	Mail	Ratney Jones
Amy Aeton	CEO	Amy Aeton
Allen Anderson	CEO	Allen Anderson
JEFF CRAIG	Staging/AMT	Jeff Craig
ALICE CRAIG	Call Center	Alice Craig
Cathy Jones	Service Centers	Cathy Jones
Kabini Pendergrass	Cashier	Kabini Pendergrass
Kim Muse	(Branch) Cashier	Kim Muse
Nora Wall	Member Services	Nora Wall
Joy Bullock	Communications	Joy Bullock
Toni Shadon	Wayne Co	Toni Shadon
Kenneth C Ball	Dispatch	Kenneth C Ball
David Sparks	Tech Surs	David Sparks
Doug Carter	FT	Doug Carter



**SOUTH KENTUCKY RECC
SAFETY & TRAINING
MEETING**

TOPIC
Accident Review, Minimum Approach Distance
LOTO

INSTRUCTOR
EB MR

TIME
7:30

DATE
8/16/12

PRINT NAME	TEAM	SIGNATURE
Tonia L Chitwood	Whitley City	Tonia L Chitwood
Sondra Stockton	Service Center	Sondra Stockton
Brian Young	SHKING	Brian Young
Alan Coffey	MEMBER SERVICES	Alan Coffey
Tony Tupman	METERING	Tony Tupman
Donnie Bardine	Metering	Donnie Bardine
Junie Sandlin	Metering	Junie Sandlin
Mich Robertson	SHKING	Mich Robertson
ROBERT Edwards	MAINT	Robert Edwards
Michael Alglabotham	Whitley City	Michael Alglabotham
Ledford Chitwood	R.O.W.	Ledford Chitwood
Karen Black	H.B.	Karen Black
DANNY FINEST	GARAGE	Danny Finest
Donald Ridner	R.O.W.	Donald Ridner
JOE STRUNK	Garage	Joe Strunk
Jim EASTMAN	SAFETY	Jim Eastman
Harvey Parsons	Dispatch	Harvey Parsons
Stephen Johnson	Mgmt Team	Stephen Johnson

SOUTH KENTUCKY RECC
SAFETY & TRAINING
MEETING

TOPIC
Accident Review, Minimum Approach Distance
LO/TO

INSTRUCTOR
EB MR

TIME
7:30

DATE
9/16/12

PRINT NAME	TEAM	SIGNATURE
Paul Wilson	R.O.W.	Paul Wilson
Randy Mounce	R.O.W.	Randy Mounce
DELYAN WATERS	W.C.	DeLynn Waters
RUBY K PATTERSON	MANAGEMENT	Ruby K Patterson
STEVE BURKE	MONTICELLO	Steve Burke
Brian Taylor	Whitney City	Brian Taylor
Kenny Burton	Monticello	Kenny Burton
David Upchurch	Monticello	David Upchurch
Danzel McGinnis	Staking	Danzel McGinnis
Dowie Glover	Member Services	Dowie Glover
Jerry Whitaker	Cons	Jerry Whitaker
Tommy Tyce	Building/Grounds	Tommy Tyce
Michael Ramsey	Safety	Michael Ramsey

**SOUTH KENTUCKY RECC
SAFETY & TRAINING
MEETING**

TOPIC
Accident Review, Minimum Approach Distance
LO/TO

INSTRUCTOR
EB MR

TIME

DATE

10:00

8/16/12

PRINT NAME	TEAM	SIGNATURE
Chuck Ball	Member Servis	Chuck Ball
Bruce Parker	Engineering	Bruce Parker
Tracy Hopper	Russell	Tracy Hopper
Missy Johnson	HR	Missy Johnson
Relinda Brown	Engineering	Relinda Brown
Jeannie Wood	Accounting	Jeannie Wood
JAN BAKER	Acct.	JAN BAKER
Christy Stevens	Accounting	Christy Stevens
LANA Sidwell	Accounting	LANA Sidwell
Mary Lou Henderlight	Accounting	Mary Lou Henderlight
christina Cundiff	I.T.	christina Cundiff
Tammy Cosh	Eng. Dept	Tammy Cosh
Jamie Evans	Call Center	Jamie Evans
Jenny Sutton	Service Center	Jenny Sutton
Glenda Bell	Service Center	Glenda Bell
Joanne Bryant	Whitley City	Joanne Bryant
Nancy Duncan	Marticello	Nancy Duncan
Caylee Phillips	Marticello	Caylee Phillips

**SOUTH KENTUCKY RECC
SAFETY & TRAINING
MEETING**

TOPIC
Accident Review, Minimum Approach Distance
LO/TO

INSTRUCTOR
EB MR

TIME
10:00

DATE
8/16/12

PRINT NAME	TEAM	SIGNATURE
Ricky Bowling	Monticello	Ricky Bowling
David Percy	Monticello	David Percy
Greg Erisman	Monticello	Greg Erisman
Joe Langdon	IT	Joe Langdon
David Trimble	Technical Services Dispatcher	David Trimble
Stephen Johnson	Magat Team	Stephen Johnson
Mike V Strunk	W.C. Service	Mike V Strunk
Bradley Coffey Jr.	Wh. Hg. City	Bradley Coffey Jr.
Mitchell Stator	Albany	Mitchell Stator
Mike Daniels	Monticello	Mike Daniels
Crick Amoy	Albany	Crick Amoy
Ricky Fletcher	Albany	Ricky Fletcher
Robert Phillips	Monticello	Robert Phillips
David Hughes	Monticello	David Hughes
GARRY E. NEA	MONTICELLO	Garry E. Nea
DON BETHEL	ANI/SPARKING	Don Bethel
David Withers	Member Services	David Withers
Leon Woodridge	Russell	Leon Woodridge

**SOUTH KENTUCKY RECC
SAFETY & TRAINING
MEETING**

TOPIC
Accident Review, Minimum Approach Distance
LO/TO

INSTRUCTOR
EB MR

TIME
2:00

DATE
9/16/12

PRINT NAME	TEAM	SIGNATURE
Dan Wane	CONST	Dan Wane
JACK E Willis	Const	Jack E. Will.
Nick Loger	" "	Nick Loger
SON STAUTY	" "	Son Stauty
Dennis Reynolds	const	Dennis Reynolds
Barney Singleton	Const	Barney S.
Ishmael Helton	Const.	Ishmael Ray Helton
Robert Phelps	Const	Robert Phelps
Darrell Scraggs	Const	Darrell Scraggs
Stephen DeBord	" "	Stephen DeBord
Stephan Johnson	Wagon Team	Stephan Johnson
David Durham	WAREHOUSE	David Durham
Eddie Tomlinson	CONST	Eddie Tomlinson
Steve Harris	const	Steve Harris
MARK WAIN	CONST	Mark Wain
Daniel Coomer	Const.	Daniel Coomer
Derek Marvath	const	Derek Marvath
John Jones	RUSSELL	John Jones

**SOUTH KENTUCKY RECC
SAFETY & TRAINING
MEETING**

TOPIC
Accident Review, Minimum Approach Distance
LO/TO

INSTRUCTOR
EB MR

TIME

DATE

2:00

8/16/12

PRINT NAME	TEAM	SIGNATURE
Adam Neal	Albany Construction	Adam Neal
Duron Krontz	Albany Const.	Duron Krontz
PAUL TUCKER	Albany Const.	Paul Tucker
Orville Brown	const.	Orville Brown
Greg Hammond	RS Construction	Greg Hammond
Jay Gray	Const.	Jay Gray
Chris Cain	Const.	Chris Cain
MORRIS MURPHY	WAREHOUSE	Morris Murphy
Teresa Bledsoe	Russell	Teresa Bledsoe
Tammy Shipp	CAGE center	Tammy Shipp
Melisa Fulle		Melisa Fulle
Judy Keith	Judy Keith Co	Judy Keith
Tonya Slagle	Tonya Slagle Morticello	Tonya Slagle
Frances Giffey	Frances Giffey	Frances Giffey
Jeff Greer	Finance Team	Jeff Greer
Ashley Gerike	Cashier	Ashley Gerike
Gay Brunson	Service Center	Gay Brunson
Sharon B Keith	Service Center	Sharon B Keith

Expenses related to vine control

Meeting held with Outside Employees to go over the accident of July 30 and advise how to address vine issues - Meeting held on July 31, 2012 with Somerset Personnel and each district office had their own meeting with the district manager.

Employee #	Hourly Wage	Hours	Total Hourly	Fringe Benefits 60.63%	Total with Fringe Benefits
198	\$28.07	1	\$28.07	\$17.02	\$45.09
227	\$32.61	1	\$32.61	\$19.77	\$52.38
275	\$50.85	1	\$50.85	\$30.83	\$81.68
391	\$25.31	1	\$25.31	\$15.35	\$40.66
265	\$28.23	1	\$28.23	\$17.12	\$45.35
271	\$31.87	1	\$31.87	\$19.32	\$51.19
377	\$25.66	1	\$25.66	\$15.56	\$41.22
453	\$24.89	1	\$24.89	\$15.09	\$39.98
290	\$27.42	1	\$27.42	\$16.62	\$44.04
565	\$28.91	1	\$28.91	\$17.53	\$46.44
616	\$17.03	1	\$17.03	\$10.33	\$27.36
460	\$23.08	1	\$23.08	\$13.99	\$37.07
342	\$23.39	1	\$23.39	\$14.18	\$37.57
472	\$21.53	1	\$21.53	\$13.05	\$34.58
373	\$30.20	1	\$30.20	\$18.31	\$48.51
232	\$34.00	1	\$34.00	\$20.61	\$54.61
384	\$27.37	1	\$27.37	\$16.59	\$43.96
447	\$25.43	1	\$25.43	\$15.42	\$40.85
284	\$28.76	1	\$28.76	\$17.44	\$46.20
343	\$27.93	1	\$27.93	\$16.93	\$44.86
528	\$24.58	1	\$24.58	\$14.90	\$39.48
358	\$31.53	1	\$31.53	\$19.12	\$50.65
267	\$27.42	1	\$27.42	\$16.62	\$44.04
628	\$21.87	1	\$21.87	\$13.26	\$35.13
545	\$29.20	1	\$29.20	\$17.70	\$46.90
523	\$23.98	1	\$23.98	\$14.54	\$38.52
654	\$21.17	1	\$21.17	\$12.84	\$34.01
242	\$32.16	1	\$32.16	\$19.50	\$51.66
584	\$26.06	1	\$26.06	\$15.80	\$41.86
600	\$23.18	1	\$23.18	\$14.05	\$37.23
598	\$24.30	1	\$24.30	\$14.73	\$39.03
623	\$21.82	1	\$21.82	\$13.23	\$35.05
625	\$25.33	1	\$25.33	\$15.36	\$40.69
627	\$24.28	1	\$24.28	\$14.72	\$39.00
624	\$20.06	1	\$20.06	\$12.16	\$32.22



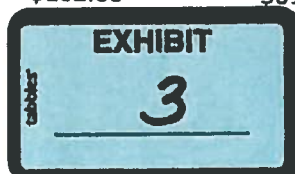
364	\$27.06	1	\$27.06	\$16.41	\$43.47
433	\$26.38	1	\$26.38	\$15.99	\$42.37
635	\$21.67	1	\$21.67	\$13.14	\$34.81
634	\$21.82	1	\$21.82	\$13.23	\$35.05
478	\$24.83	1	\$24.83	\$15.05	\$39.88
524	\$23.51	1	\$23.51	\$14.25	\$37.76
192	\$27.60	1	\$27.60	\$16.73	\$44.33
150	\$36.16	1	\$36.16	\$21.92	\$58.08
560	\$29.60	1	\$29.60	\$17.95	\$47.55
329	\$30.12	1	\$30.12	\$18.26	\$48.38
519	\$21.72	1	\$21.72	\$13.17	\$34.89
458	\$19.42	1	\$19.42	\$11.77	\$31.19
209	\$29.41	1	\$29.41	\$17.83	\$47.24
301	\$30.04	1	\$30.04	\$18.21	\$48.25
461	\$24.97	1	\$24.97	\$15.14	\$40.11
508	\$24.30	1	\$24.30	\$14.73	\$39.03
656	\$18.52	1	\$18.52	\$11.23	\$29.75
599	\$24.93	1	\$24.93	\$15.12	\$40.05
629	\$21.77	1	\$21.77	\$13.20	\$34.97
626	\$21.77	1	\$21.77	\$13.20	\$34.97
324	\$29.84	1	\$29.84	\$18.09	\$47.93
592	\$21.82	1	\$21.82	\$13.23	\$35.05
451	\$26.02	1	\$26.02	\$15.78	\$41.80
569	\$21.82	1	\$21.82	\$13.23	\$35.05
489	\$24.30	1	\$24.30	\$14.73	\$39.03
304	\$27.83	1	\$27.83	\$16.87	\$44.70
363	\$27.38	1	\$27.38	\$16.60	\$43.98
507	\$23.41	1	\$23.41	\$14.19	\$37.60

Total Vine Control Safety Meeting Cost \$2,646.38

Expenses related to vine control

Safety Meeting with all employees to review the accident and go over vine control
Held on August 16, 2012

Employee #	Hourly Wage	Hours	Total Hourly	Fringe Benefits 60.63%	Total with Fringe Benefits
198	\$28.07	2	\$56.14	\$34.04	\$90.18
227	\$32.61	6	\$195.66	\$118.63	\$314.29
275	\$50.85	6	\$305.10	\$184.98	\$490.08
391	\$25.31	2	\$50.62	\$30.69	\$81.31
265	\$28.23	2	\$56.46	\$34.23	\$90.69
602	\$23.86	6	\$143.16	\$86.80	\$229.96
395	\$24.89	2	\$49.78	\$30.18	\$79.96
525	\$17.98	2	\$35.96	\$21.80	\$57.76
126	\$30.79	2	\$61.58	\$37.34	\$98.92
652	\$14.70	2	\$29.40	\$17.83	\$47.23
657	\$14.35	4	\$57.40	\$34.80	\$92.20
309	\$23.98	2	\$47.96	\$29.08	\$77.04
491	\$25.11	2	\$50.22	\$30.45	\$80.67
578	\$20.73	3	\$62.19	\$37.71	\$99.90
526	\$23.43	2	\$46.86	\$28.41	\$75.27
439	\$21.94	2	\$43.88	\$26.60	\$70.48
653	\$26.92	2	\$53.84	\$32.64	\$86.48
421	\$23.68	2	\$47.36	\$28.71	\$76.07
529	\$17.51	2	\$35.02	\$21.23	\$56.25
562	\$23.68	3	\$71.04	\$43.07	\$114.11
564	\$29.54	2	\$59.08	\$35.82	\$94.90
271	\$31.87	2	\$63.74	\$38.65	\$102.39
377	\$25.66	2	\$51.32	\$31.12	\$82.44
453	\$24.89	2	\$49.78	\$30.18	\$79.96
378	\$24.87	2	\$49.74	\$30.16	\$79.90
290	\$27.42	2	\$54.84	\$33.25	\$88.09
565	\$28.91	6	\$173.46	\$105.17	\$278.63
616	\$17.03	2	\$34.06	\$20.65	\$54.71
563	\$32.55	2	\$65.10	\$39.47	\$104.57
362	\$29.88	2	\$59.76	\$36.23	\$95.99
460	\$23.08	2	\$46.16	\$27.99	\$74.15
488	\$24.09	2	\$48.18	\$29.21	\$77.39
658	\$19.80	2	\$39.60	\$24.01	\$63.61
647	\$48.76	6	\$292.56	\$177.38	\$469.94
342	\$23.39	2	\$46.78	\$28.36	\$75.14
472	\$21.53	2	\$43.06	\$26.11	\$69.17
373	\$30.20	3	\$90.60	\$54.93	\$145.53
291	\$51.54	6	\$309.24	\$187.49	\$496.73
232	\$34.00	3	\$102.00	\$61.84	\$163.84



384	\$27.37	3	\$82.11	\$49.78	\$131.89
447	\$25.43	3	\$76.29	\$46.25	\$122.54
284	\$28.76	3	\$86.28	\$52.31	\$138.59
432	\$24.73	2	\$49.46	\$29.99	\$79.45
566	\$28.18	2	\$56.36	\$34.17	\$90.53
343	\$27.93	3	\$83.79	\$50.80	\$134.59
571	\$17.45	2	\$34.90	\$21.16	\$56.06
528	\$24.58	6	\$147.48	\$89.42	\$236.90
455	\$24.56	3	\$73.68	\$44.67	\$118.35
258	\$28.81	2	\$57.62	\$34.94	\$92.56
358	\$31.53	3	\$94.59	\$57.35	\$151.94
594	\$20.21	2	\$40.42	\$24.51	\$64.93
636	\$17.53	2	\$35.06	\$21.26	\$56.32
644	\$19.31	2	\$38.62	\$23.42	\$62.04
200	\$21.94	2	\$43.88	\$26.60	\$70.48
570	\$24.25	2	\$48.50	\$29.41	\$77.91
240	\$23.85	2	\$47.70	\$28.92	\$76.62
297	\$30.34	2	\$60.68	\$36.79	\$97.47
431	\$20.40	2	\$40.80	\$24.74	\$65.54
416	\$19.31	2	\$38.62	\$23.42	\$62.04
655	\$16.18	2	\$32.36	\$19.62	\$51.98
613	\$16.68	2	\$33.36	\$20.23	\$53.59
436	\$19.42	2	\$38.84	\$23.55	\$62.39
614	\$16.83	3	\$50.49	\$30.61	\$81.10
661	\$14.35	3	\$43.05	\$26.10	\$69.15
633	\$18.31	3	\$54.93	\$33.30	\$88.23
267	\$27.42	3	\$82.26	\$49.87	\$132.13
628	\$21.87	3	\$65.61	\$39.78	\$105.39
545	\$29.20	3	\$87.60	\$53.11	\$140.71
320	\$33.11	2	\$66.22	\$40.15	\$106.37
440	\$23.20	2	\$46.40	\$28.13	\$74.53
523	\$23.98	3	\$71.94	\$43.62	\$115.56
654	\$21.17	3	\$63.51	\$38.51	\$102.02
242	\$32.16	4	\$128.64	\$77.99	\$206.63
584	\$26.06	3	\$78.18	\$47.40	\$125.58
600	\$23.18	4	\$92.72	\$56.22	\$148.94
598	\$24.30	4	\$97.20	\$58.93	\$156.13
623	\$21.82	3	\$65.46	\$39.69	\$105.15
625	\$25.33	3	\$75.99	\$46.07	\$122.06
627	\$24.28	3	\$72.84	\$44.16	\$117.00
624	\$20.06	3	\$60.18	\$36.49	\$96.67
601	\$21.82	3	\$65.46	\$39.69	\$105.15
364	\$27.06	3	\$81.18	\$49.22	\$130.40
296	\$19.72	3	\$59.16	\$35.87	\$95.03
659	\$12.45	2	\$24.90	\$15.10	\$40.00
660	\$12.45	2	\$24.90	\$15.10	\$40.00
433	\$26.38	2	\$52.76	\$31.99	\$84.75

635	\$21.67	2	\$43.34	\$26.28	\$69.62
634	\$21.82	2	\$43.64	\$26.46	\$70.10
478	\$24.83	2	\$49.66	\$30.11	\$79.77
524	\$23.51	2	\$47.02	\$28.51	\$75.53
192	\$27.60	2	\$55.20	\$33.47	\$88.67
150	\$36.16	2	\$72.32	\$43.85	\$116.17
560	\$29.60	3	\$88.80	\$53.84	\$142.64
329	\$30.12	2	\$60.24	\$36.52	\$96.76
519	\$21.72	2	\$43.44	\$26.34	\$69.78
458	\$19.42	2	\$38.84	\$23.55	\$62.39
209	\$29.41	2	\$58.82	\$35.66	\$94.48
301	\$30.04	2	\$60.08	\$36.43	\$96.51
461	\$24.97	2	\$49.94	\$30.28	\$80.22
508	\$24.30	3	\$72.90	\$44.20	\$117.10
656	\$18.52	3	\$55.56	\$33.69	\$89.25
599	\$24.93	3	\$74.79	\$45.35	\$120.14
629	\$21.77	4	\$87.08	\$52.80	\$139.88
626	\$21.77	4	\$87.08	\$52.80	\$139.88
597	\$27.11	4	\$108.44	\$65.75	\$174.19
324	\$29.84	2	\$59.68	\$36.18	\$95.86
592	\$21.82	3	\$65.46	\$39.69	\$105.15
451	\$26.02	2	\$52.04	\$31.55	\$83.59
569	\$21.82	2	\$43.64	\$26.46	\$70.10
457	\$19.69	2	\$39.38	\$23.88	\$63.26
298	\$23.26	3	\$69.78	\$42.31	\$112.09
381	\$17.78	2	\$35.56	\$21.56	\$57.12
397	\$21.50	2	\$43.00	\$26.07	\$69.07
374	\$19.42	2	\$38.84	\$23.55	\$62.39
630	\$18.31	3	\$54.93	\$33.30	\$88.23
437	\$21.02	4	\$84.08	\$50.98	\$135.06
394	\$39.77	2	\$79.54	\$48.23	\$127.77
662	\$12.45	2	\$24.90	\$15.10	\$40.00
110	\$23.30	2	\$46.60	\$28.25	\$74.85
631	\$17.64	2	\$35.28	\$21.39	\$56.67
380	\$20.55	2	\$41.10	\$24.92	\$66.02
360	\$23.23	2	\$46.46	\$28.17	\$74.63
480	\$31.94	2	\$63.88	\$38.73	\$102.61

Total Vine Control Safety Meeting Cost

\$13,256.81

Right of Way Department has spent many hours cutting vines from poles. Vines are cut on a regular basis with several vines cut each week by each right-of-way employee; however we can only document three days in which vines were specifically addressed.

Employee Number	Wage	Hours Worked	Labor Cost	Fringe Benefit 60.63%	Labor & Fringe Cost
337	\$32.65	24	\$783.60	\$475.10	\$1,258.70
464	\$20.73	24	\$497.52	\$301.65	\$799.17
506	\$22.89	24	\$549.36	\$333.08	\$882.44
616	\$17.03	24	\$408.72	\$247.81	\$656.53
460	\$23.08	24	\$553.92	\$335.84	\$889.76
342	\$23.39	24	\$561.36	\$340.35	\$901.71
472	\$21.53	24	\$516.72	\$313.29	\$830.01
Total verifiable labor spent on vine removal					\$6,218.31



Equipment purchased for Vine Removal

Date	Equipment Description	Cost	Quantity	Shipping & Tax	Total Cost
8/3/2012	Vine Pruner	\$ 18.65	2	\$ 1.83	\$ 32.35
8/17/2012	De-Viner	\$ 55.00	3	\$ 13.13	\$ 178.13
8/27/2012	Sprayer for Vines	\$ 28.59	2	\$ 2.63	\$ 46.53
10/18/2012	Vine Pruner	\$ 18.65	3	\$ 3.05	\$ 53.90
5/14/2013	Vine Pruner and	\$ 18.95	3		\$ 56.85
	Sprayer for Vines	\$ 21.95	2	\$ 6.05	\$ 49.95
Total Equipment Costs					\$ 417.71

In addition there has been an outlay for herbicide; however we cannot itemize this due to the herbicide being used on vines, trees and other foliage.



K & T SAW SHOP & EQUIPMENT
 FAX # 606-561-0209
 1199 NORTH HWY 1247
 SOMERSET, KY 42503
 (606) 678-9623

Date.....: 08-03-12 14:19:03
 Invoice #...: 502214, Page 1
 Customer #..: 678-4121
 Salesperson.: DB
 P.O. #.....:

BILL TO: 678-4121
 SOUTH KY RECC
 P O BOX 910
 SOMERSET, KY 42501
 (606) 872-3496 Alt: (606) 872-3504

SHIP TO:
 SOUTH KY RECC
 P O BOX 910
 SOMERSET, KY 42501

- INVOICE -
 TERMS: 30 Days Net, from Statement Date

MFR	PART/MODEL #	DESCRIPTION	QTY	QTY	PRICE	NET	TOTAL
			SLD	B/O			(X10)
STI	PP10	PRUNER	2	0	18.65	15.26	30.52

*****COME SEE OUR WEB SITE "WWW.KTOUTDOOR.COM"*****
 ***** 12 MTHS NO * WITH PAYMENTS / DEFERRED * *****

SUBTOTAL 30.52
 TAX 1.83
 INVOICE TOTAL 32.35
 AMOUNT PAID 0.00
 BALANCE DUE 32.35

RECEIVED BY: 33301508 - MS#001-1803-593.50

SO. KY. R E C C
 RECEIVED AM DATE 8-3-12
 PRICES & TOTALS OKD.
 APPROVED Paul Manuel





orders@madillc.com

MADI, LLC

INVOICE

Please Remit To:

Mail To: 640 Belle Shoals Road Pickens, SC 29671 or Wire To:
Wachovia Routing # 053207766, Acct # 2000054783986

Invoice Number:

Dennis Holt

Invoice Date:

8/17/2012

Page:

1

Bill To:

paid 8/17/2012 : cc run by wmorris

Ship To:

South Kentucky Rural Coop
925 n. Main St
Somerset, Ky 42502

Customer ID / # Customer PO / #

Ship Date

Payment Terms*

Net 30

Quantity	Catalog #	Description	Unit Price	Extension
3	DV-1	Deviner	\$55.00	\$165.00
1	TP-1	TriPenta	nc	\$0.00
1	DH-1	Double Header	nc	\$0.00
1	TSD-1	Penta Socket Driver	nc	\$0.00

Subtotal \$165.00
Shipping \$13.13
Sales Tax \$0.00
Total Invoice Amount \$178.13

3 - DEVINERS

Thank you!

O.K.
D.H.

ms 20 08 - 107.00 -

Please Remit To:

Paid 8/17/2012 by cc

Mail To: 640 Belle Shoals Road
Pickens, SC 29671
or
Direct Wire To: Wachovia
Routing # 053207766
Acct # 2000054783986

*Payment. The prices set forth on the face of the invoice shall be paid by Customer within thirty (30) days of the date of the invoice. All payments shall be due and payable without offset, discount (unless explicitly provided for in the Contract), or any reduction in the Contract price. Seller shall have the right to charge one and one-half percent (1.5%) interest per month (or, if less, the maximum lawful rate allowed by law) on invoices that are not paid within thirty (30) days of the invoice date. In addition to its right to charge interest for outstanding invoices, Seller shall be entitled to all rights and remedies provided by the Uniform Commercial Code, Title 36, Code of Laws of South Carolina.

For Invoice / Payment Questions Contact Venice @ 704-491-0056 or vd@madillc.com

K & T SAW SHOP & EQUIPMENT
 FAX # 606-561-0209
 1199 NORTH HWY 1247
 SOMERSET, KY 42503
 (606) 678-9623

Date.....: 08-27-12 11:47:44
 Invoice #...: 504736, Page 1
 Customer #..: 678-4121
 Salesperson.: CK
 P.O. #.....:

BILL TO: 678-4121
 SOUTH KY RECC
 P O BOX 910
 SOMERSET, KY 42501
 (606) 872-3496 Alt: (606) 872-3504

SHIP TO:
 SOUTH KY RECC
 P O BOX 910
 SOMERSET, KY 42501

-- INVOICE --
 TERMS: 30 Days Net, from Statement Date

MFR	PART/MODEL #	DESCRIPTION	QTY SLD	QTY B/O	PRICE	NET	TOTAL	T
STI	SG10	MANUAL HANDHELD SPRK	2	0	28.59	21.95	43.90	T

*****COME SEE OUR WEB SITE "WWW.KTOUTDOOR.COM*****
 ***** 12 MTHS NO % WITH PAYMENTS / DEFERRED % *****

SUBTOTAL 43.90
 TAX 2.63
 INVOICE TOTAL 46.53
 AMOUNT PAID 0.00
 BALANCE DUE 46.53

RECEIVED BY: 33301508 - M240 07-1803-593.50

SO. KY. RECC
 RECEIVED pm DATE 7-27-12
 PRICES & TOTALS OKD.
 APPROVED Paul Mennick



K & T SAW SHOP & EQUIPMENT
 FAX # 606-561-0009
 1199 NORTH HWY 1247
 SOMERSET, KY 42503
 (606) 678-0623

Date.....: 10-11-12 10:42:59
 Invoice #...: 508308, Page 1
 Customer #..: 678-4121
 Salesperson: CK
 P.O. #.....:

BILL TO: 678-4121
 SOUTH KY RECC
 P O BOX 910
 SOMERSET, KY 42501
 (606) 872-3496 Alt. (506) 372-2304

SHIP TO:
 SOUTH KY RECC
 P O BOX 110
 SOMERSET, KY 42501

INVOICE -
 TERMS: 30 Days Net, from Statement Date

MFR	PART/MODEL #	DESCRIPTION	QTY	UNIT	PRICE	NET	TOTAL
STI	PP10	PRUNER	3	@	18.65	16.95	50.85

*****COME SEE OUR WEB SITE "WWW.KTOUTDOOR.COM*****
 ***** 12 MTHS W/ : WITH PAYMENTS, DEFERRED *****

SUBTOTAL 50.85
 TAX 3.15
 INVOICE TOTAL 53.00
 AMOUNT PAID 0.00
 BALANCE DUE 53.00

RECEIVED BY: 33301508
 M3E0 01 - 1803 - 593.50

SO. KY. RECC
 RECEIVED PM DATE 10-18-12
 PRICES & TOTALS OKD
 APPROVED Paul Mend



K & T SAW SHOP & EQUIPMENT
 FAX # 606-561-0209
 1199 NORTH HWY 1247
 SOMERSET, KY 42503
 (606) 678-9623

Date.....: 05-09-13 09:02:36
 Invoice #...: 520514, Page 1
 Customer #...: 678-4121
 Salesperson.: CK
 P.O. #.....: 1

BILL TO: 678-4121
 SOUTH KY RECC
 P O BOX 910
 SOMERSET, KY 42501
 (606) 872-3496 Alt: (606) 872-3504

SHIP TO:
 SOUTH KY RECC
 P O BOX 910
 SOMERSET, KY 42501

- INVOICE -
 TERMS: 30 Days Net, from Statement Date

men y B

MFR	PART/MODEL #	DESCRIPTION	QTY / BLD	QTY / B/O	PRICE	NET	TOTAL	ITIS
STI	PP10	PRUNER	3	0	20.85	18.95	56.85	T
STI	SB10	MANUAL HANDHELD SPRA	2	0	24.15	21.95	43.90	T

*****COME SEE OUR WEB SITE "WWW.KTOUTDOOR.COM"*****
 ***** 12 MTHS NO % WITH PAYMENTS / DEFERRED % *****

SUBTOTAL 100.75
 TAX 6.05
 INVOICE TOTAL 106.80
 AMOUNT PAID 0.00
 BALANCE DUE 106.80

RECEIVED BY: _____

PAST BALANCE OVER 30 DAYS.

33301508
 MS20 07 - 1803 - 593.50

SO. KY. RECC
 RECEIVED pm DATE 5-14-13
 PRICES & TOTALS CKD.
 APPROVED Gave Manick



Proposed vine removal and treatment costs for the remainder of 2013 and for 2014

Description	Hourly Contractor Costs	*Hours Per Year	Total Cost
Foreman	\$ 21.40	1,936	\$ 41,430.40
Groundman	\$ 17.65	1,936	\$ 34,170.40
4x4 Spray Truck	\$ 7.50	1,936	\$ 14,520.00

Description	Costs	Gallons Per Year	Total Cost
Herbicide per gallon (mixed)	\$ 0.80	40,000	\$ 32,000.00
Total Vehicle & Labor			\$ 122,120.80

South Kentucky Employee Costs

Employee	Hourly Cost	**Hours Per Year	Annual Hourly	Fringe Benefit	Total Cost
Vine Crew Coordinator	\$ 26.79	1856	\$ 49,722.24	\$ 27,844.45	\$ 77,566.69
Transportation Cost #283	\$ 6.03	1856	\$ 11,191.68	\$ 6,267.34	\$ 17,459.02

Total Employee Cost \$ 95,025.72

Total Cost of Vine Spray and Removal Crew and Coordinator on an Annual Basis = \$ 217,146.52

*Contractors do not work during 8 scheduled South Kentucky Holidays and also have two weeks vacation per year

**South Kentucky Employee gets 10 days holiday per year and 20 days vacation per year



Total Quantifiable Expenditures for Vine Control

Description	Attachment #	Total
July 31, 2012 Outside Employee Meeting	1	\$ 2,646.00
August 16, 2012 Safety Meeting	2	\$ 13,256.81
Right-ofWay Labor	3	\$ 6,218.00
Equipment Purchases	4	\$ 417.00
Quantifiable Costs of Vine Control to Date		\$ 22,537.81

Future Estimated Expenditures

***Vine Removal Crew, Herbicide and Coordinator** **5** **\$ 217,146.00**

***Estimate of Annual Cost**

