Steven L. Beshear Governor

Leonard K. Peters Secretary Energy and Environment Cabinet



Commonwealth of Kentucky **Public Service Commission**211 Sower Blvd.

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August 6, 2013

David L. Armstrong Chairman

James W. Gardner Vice Chairman

> Linda Breathitt Commissioner

James Crawford Crawford & Baxter, P.S.C. 523 Highland Avenue P.O. Box 353 Carrollton, KY 41008

Re: Case No. 2013-00230

Dear Mr. Crawford:

Attached is a copy of a memorandum which is being filed in the record of the above-referenced case. If you have any comments you would like to make regarding the contents of the memorandum concerning the August 2, 2013 Informal Conference, please do so within five days of receipt of this letter. If you have any questions, please contact Jonathan Beyer or Aaron Ann Cole, Staff Attorneys, at 502/564-3940.

Sincerely,

Garry D. Beunwed Jeff Derouen

Executive Director

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File – Case No. 2013-00230

FROM: Jonathan Beyer, Staff Attorney

DATE: August 6, 2013

RE: Informal Conference of August 2, 2013

On August 2, 2013, pursuant to Commission Staff's Notice dated July 24, 2013, an informal conference was held in this matter to discuss and address the issues presented in this case. A list of attendees is attached to this memorandum.

Beginning the conference, James Crawford, counsel for Owen Electric Cooperative, Inc. ("Owen"), provided a detailed explanation of the circumstances that resulted in the September 6, 2012 incident. He stated that prior to the incident pertaining to this case, a digger truck driven by Mr. James Juett, also the victim in the underlying matter, overturned in the course of maneuvering to the work site, due to the wet weather on September 6, 2012. Following the truck overturning, Mr. Juett was taken to the hospital and was subsequently released the same day. Shortly thereafter Mr. Juett entered the worksite, without announcing his presence and unbeknownst to the crew supervisor, Danny Clemons. Upon entry, Mr. Juett ultimately made contact with the energized and grounded vehicle, causing minor injury to himself. Mr. Crawford affirmed Owen's belief that having an unauthorized employee enter the worksite was a primary issue in causing the incident. He further asserted that the use of a less frequently utilized track machine contributed to the incident. He stated that Owen has subsequently held six safety meetings to address the incident.¹ recommendation from Owen's management team, the Owen Board of Directors also issued a Request for Proposals to retain a consulting firm to conduct a comprehensive assessment of Owen's safety procedures and risk mitigation processes. Caterpillar Safety Services was ultimately chosen to conduct the study.

Mark Stallons, Owen's President and CEO, detailed the scope and procedures of the Caterpillar Safety Services program. Mr. Stallons further presented revisions to Owen's safety policies and manual that Owen has or will implement. Specifically, he stated that the safety manual will be revised to reflect current policies pertaining to grounding methods. He also indicated Owen is exploring methods of barricading worksites to shield against similar future incidents. In response to inquiries by Commission Staff, Owen personnel confirmed that unscheduled work crew safety audits are performed on a monthly basis. Mr. Stallons lastly asserted that Owen is examining whether to increase reporting procedures for near miss incidents.

¹ A list of attendees at the safety meetings is attached as Exhibit A.

Case File No. 2013-00230 August 6, 2013 Page 2

Commission Staff inquired whether Owen was interested in attempting to settle the matter, to which Mr. Crawford answered in the affirmative. Staff informed Owen that additional information and documentation was necessary prior to conducting formal settlement negotiations. Staff requested Owen provide an itemized and finalized list of modifications to safety, supervisory, and policy changes. Such information was requested to include revisions to Owen's safety manual, as well as other general safety measures that have been or will be implemented. Staff requested Owen provide the results of the Caterpillar report and the changes adopted as a result of the study. Staff indicated that a detailed statement of the costs incurred by virtue of all the remedial measures and policies should also be provided. Finally, Staff informed Owen representatives that the remedial measures are but one component of the case and discussions pertaining to a monetary penalty will be addressed at a future informal conference. Staff noted that the fourteen alleged violations carry a maximum potential penalty of \$35,000.

At the request of Mr. Crawford, Staff agreed to recommend the Commission postpone the hearing presently scheduled for September 12, 2013. The parties agreed Owen would provide the requested information no later than November 1, 2013. Thereafter, an informal conference will be scheduled to continue discussions that may lead to a possible conclusion and settlement of the matter.

Finding that no party had any further questions, the conference was adjourned.



COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

OWEN ELECTRIC COOPERATIVE) CASE NO. COOPERATION, INC. ALLEGED FAILURE TO) 2013-00230 COMPLY WITH KRS 278.042

August 2, 2013

Please sign in: NAME REPRESENTING PSC PSC. PSC 080 PSC Willard PSC RICE PSC JAMES OFC DEC OEC March S 080

Exhibit A

TOPIC: Electric Cortect LOCATION: Welton Service Corte DATE: 9/26/12 TIME: 7:30 Am EMPLOYEES PRESENT: Aler B, Briz-C, Andy M., Bubby V, Simon P. Donay C. Jany J., Charlie Ca, Chris D. WHAT WAS DISCUSSED IN SAFETY MEETING: Pollow, Port, Postronny of Egup, Carteet Pony, outrigger, Dissort What, Tary have, Pole quark, Fibry Coles Wester Estendard, OEC Selfy March - 621 Dornet Truty, Cortex, etc., Fibry for bour Should be extended all the way on derick boom - which he removed. Q+A	PRESENTER: Jony D	
DATE: 9/26/12 TIME: \$130 Am EMPLOYEES PRESENT: Alon B, Brig. C., Andy M., Bubby V, Simon P. Danay C., Jany J., Charlie C., Charl D. WHAT WAS DISCUSSED IN SAFETY MEETING: Pollow, Pront, Postmang of Equip, Contact Panty, Outrigger, Digger What, Tany have, Pale quards, Filor Coless Wasn't Extended, OEC South Marvel - 621 Daniele Trusty, Craps, etc., Fiberglass boom Should be oxtended all the way on daniele boom to write the	TOPIC: Electric Cotact	
EMPLOYEES PRESENT: After B, Brig-C., Andy M., Bobby V., Simon P. Danny C., James J., Charlie C., Chris D. WHAT WAS DISCUSSED IN SAFETY MEETING: Pollows, Prost, Pertrang of Equip, Contact Pants, Outrigger, Digger What, Tany have, Pele quarks, Fiber Gless Wester Extended, OEC Schitz Marcel - 624 Derrich Trusy, Cooper, etc., Fibergloss boom Should be arthural all the way on derrich boom to which the	LOCATION: Watton Sovie Contr	
EMPLOYEES PRESENT: Alon B, Brig-C., Andy M., Bubby V, Simon P. Donay C. Jenes J., Charlie C., Charl D. WHAT WAS DISCUSSED IN SAFETY MEETING: Pollow, Pract, Postrong of Equip, Contact Panty, Outrigger, Digger What, Tary have, Pole quards, Fiber Coloss World Extended, OEC Scrity March - 621 Danich Trusy, Cresser, etc., Fibergloss boom Should be asked all the way on derick boom or winch the	DATE: 9/26/12	
PRESENT: After B, Brig-C, Andy M., Bubby V., Simon P. Donn, C. Janes J., Charlie C., Charl D. WHAT WAS DISCUSSED IN SAFETY MEETING: Pollows, Prost, Positioning of Equip, Contact Points, Outrigger, Disgon Whals, Tany have, Pole quark, Fiber Coless Wasn't Extended, OEC Scrity Marvel - 621 Device Trusy, Crasher, etc., Fiber for bour Should be extended all the way on device boom + winch like	TIME: 7:30 Am	
WHAT WAS DISCUSSED IN SAFETY MEETING: Pollow, Pront, Positioning of Equip, Contact Paint, Outrigger, Digger Whats, Tary have, Pole quards, Filter Coloss Wasnit Extended, OEC Schity Marvel - 624 Derrich Trusy, Crepter, etc., Filter for bound Thould be extended all the way on derrich boom to which like	PRESENT: Alon B, Brig-C, Andy M., Bubby V, Simon P. Donay C	<u>, </u>
MEETING: Pollow, Pont, Positioning of Equip, Contact Point, Outrigger, Digger Wants, Tany have, Pole guards, Filor Coless Wasn't Extended, OEC Screty Marvel - 621 Dorrich Trusy, Crasher, etc., Filory for boom Should be extended all the way on derrich boom t winch like	Janes J., Charlie Cy, Chris D.	
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should be extended all the way on derrick boom t which live	Wents, Tany have, Poleguards, Filor Gless Wasnit Extended,	
should be extended all the way on derrick boom to which the		رن
		where exercises were small sma
		-

PRESENTER: T. Dempsey D. White
TOPIC: Accident Decression
LOCATION: Kerth LANE
DATE: /0-/6-/2
TIME: 2:15
EMPLOYEES PRESENT: J. Lilly J. Wright S. Morre
WHAT WAS DISCUSSED IN SAFETY MEETING:
,
Electric Contact on 9/6/2012
· /
- Prior to contact truck rolled over.
· /
- Prior to contact truck rolled over. - contact occured approximately 20 mins after
- Prior to contact truck rolled over. - contact occured approximately 20 mins after
- Prior to contact truck rolled over. - contact occured approximately 20 mins after
- Prior to contact truck rolled over. - contact occured approximately 20 mins after

PRESENTER: Tony Dempsey
TOPIC: Electre Confact (Accident Review)
LOCATION: Boone County
DATE: Oct 22, 2012
TIME: 1:50pm
PRESENT: Joe (cherry) Scottosbore Brad Forsee
Pan Tekuke Chrs Back
WHAT WAS DISCUSSED IN SAFETY (Prior to contact) MEETING: (Accident Review) Talking about truck being Flipped.
Showing contact work order. Positioning of Equipment.
Contact points. Pigger Untrigger. Tamphose. Rear Diggerwheel.
Contact Vitimis location. Screngiound. Pole quards. Line Hoses.
F. berglass wasn't Extended. Set so dose this was the only extention made
Oec Safety Manuel & (desick truck + grounding). Errors of Omission.
Property Applied Safety Procadenes Saveda life.
, and the second

PRESENTER: Tony Dempsey
TOPIC: Accident Review
LOCATION: Arthur SC
DATE: 11-6-12
TIME: 8:00 Am
EMPLOYEES PRESENT: Larry Richardson, Kenny Berkmeier, Chr.'s Mckinley Too Schmidde, Brien Noel, Tony Bach
WHAT WAS DISCUSSED IN SAFETY MEETING: Digger Truck rolled on its side, Positioning of
the equipment, Contact Points, Victims foration, Screw Ground,
OCR was in Single Shot, Fiberglass wasn't extended, Fiberglass must be Fully extended a winch line Needs removed, A Sew things done
wrong, a lot of things done right

PRESENTER: Tony Dempsey
TOPIC: <u>Electric Contact Incident</u>
LOCATION: <u>Independence</u> KY
DATE: 11/6/12
TIME: //:00 An
EMPLOYEES PRESENT: Note Pickett Bruce Taylor
WHAT WAS DISCUSSED IN SAFETY MEETING:
Contact was caused a not extending
fiberglass part of the boom. Also the
lineman was contacting the line truck when
it pecame energized. As long as we
run the fiberalass boom out instlate the
line and stock our ppe no accident can
occur.

PRESENTER: Tony Dempsey
TOPIC: <u>Acadent Review</u> "Contact"
LOCATION: South fork Rd. Oven Co.
DATE: 11 5-12
TIME: 1:15 pm-
EMPLOYEES PRESENT: Ced Berl Scott Howard Alaron Alexander
WHAT WAS DISCUSSED IN SAFETY MEETING: Vanch flipped early morning by fumer first. No body heat. On job site position of trucks. Where
contact was made with powerline or swengwhere the
current went to ground, New to have 3th stage out on
truck digger when doing hot works brefore oftending 20 stage.



SAFETY TRAINING ROSTER OWENTON HQ

TOPIC: Accident Review

INSTRUCTOR:Tony Dempsey

NAME	POSITION	SIGNATURE	DATE
Alexander, Aaron	Crew Leader	Jones III	11-5-12
Alford, Jordan	FSR		
Beckham, Cody	Journeyman Lineman	1. I have	11-5-12
Canchola, Jude	Energy Advisor	6	
Criswell, Doug	Crew Leader	Sugar Cecural	11-29-12
Duvall, Travis	Journeyman Lineman	Trinor la	
Forsee,Brad	Meter Technician	13-07	10/22/12
Gaines, Mitchell	Roving Warehouseman		
Gibson, Jeff	Mechanic	10	
Greene, Mark	Service Technician	Marc Diserry	11-7-12
Greenlee,Matt	Service Technician	Matte & Sunta	11-7-12
Hill, Kevin	Journeyman Lineman	Little 1	111-29-12
Hopperton, Rickey	Service Technician	Richery Markerten	11-6-12
Howard, Scott	Journeyman Lineman	Set Howard	11/5/12
Jones,Kevin	Meter Technician	Kan Jones,	11-15-12
Kingkade,Seth	FSR	Seek Kak	11-15-12
Lewis, Jamey	Warehouseman		
Lilly, John	Journeyman Lineman	SA LOC	10-16-12
Mason, Ricky	Journeyman Lineman	Kieb Mason	11-29-12
Moore, Steve	Journeyman Lineman	Sto Vinn	10-16-12
Osborne,Scott	Meter Technician	Soft osme	10-22-12
Widener, Kenny	Crew Leader	Kom Wilden	11-27-12
Wilhoite, Tim	Service Technician	2 - 2 Alex	11-7
Wright, Jeremy	Journeyman Lineman	(leverale) in hot	16-16-12
Tugge John	FSR	Adont Turk	11-15-12
Bolin Shannon		O Stri Da	11-15-12
<i>'</i>			

SAFETY TRAINING ROSTER ARTHUR SERVICE CENTER

TOPIC: Accident Review INSTRUCTOR: Tony Dempsey

Back, Chris Journeyman Lineman Berkemeirer, Kenny Service Technician Brann, Alan Crew Leader Grand	z -12
Back, Chris Journeyman Lineman Berkemeirer, Kenny Service Technician Crew Leader Brann, Alan Crew Leader	2 2 -12
Brann, Alan Crew Leader Alan Brann 9/26/	z -12
Brann, Alan Crew Leader Alan Brann 9/26/	z -12
Changeman Callon Crowl ander	
Cheesman, Callen Crew Leader	
Clemons, Danny Crew Leader Dans Censons 9-26	
Colligan, Charlie Apprentice Lineman Chile alle: 9/26/	
Dempsey, Chris Journeyman Lineman Busin (9-26-	12
Fitzgerald, Johnny Journeyman Lineman	
Glass, Orman Field Supervisor	
Heeger, Jeremiah Mechanic	-
Hines, Matt FSR	
Jones,Brian Field Supervisor	
Juett, James Apprentice Lineman 4 9 - 26	-/2
Kincaid, Rodney Crew Leader	/12
Martin, Jeff FSR	C
McKinley, Chris Service Technician McKinley 11-4-	<u>/</u> Z_
Mulberry, Jerod FSR	
Mullins, Andy Journeyman Lineman and Malles	
Noel, Brian Service Technician Aug (2)	12
Peters, Simon Journeyman Lineman Singa Page 9.26	12
Pickett, Nate Appletice Lineman / Let / Let / 1/6/	17
Richardson, Larry Service Technician Larry & Richardson 1016	12
	12
Taylor, Bruce Crew Leader Thurse Taylor	2
Tekulve, Dan Journeyman Lineman 10/2.7	112
Vaske,Tim Mechanic	1
Veirs, Brian FSR	
Vonbokern, Bobby Apprentice Lineman Rugary 9-24	-/2
Waichulis, Joe Journeyman Lineman Wharehouseman	
Webster, Jimmie Wharehouseman	***************************************