

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

CLOSURE OF INVESTIGATION OF	)	
AUGUST 29, 2018 INCIDENT – BLUE GRASS	)	CASE NO.
ENERGY COOPERATIVE CORPORATION	)	2018-00391

ORDER

The Commission, on its own motion, initiates this proceeding to close the investigation of an incident that occurred on August 29, 2018, when an employee of a contractor for Blue Grass Energy Cooperative Corporation (Blue Grass Energy) suffered burn injuries as a result of an arc created by a grounded messenger conductor making contact with an energized phase conductor. Commission Staff (Staff) investigated the incident and found four probable violations of the National Electrical Safety Code. Staff issued Blue Grass Energy a Demand for Remedial Measures and Penalty Assessment, a copy of which is attached to this Order as an Appendix, to resolve all compliance and enforcement matters pertaining to the August 29, 2018 incident. Blue Grass Energy paid the proposed penalty and completed all remedial measures required by Staff.

The Commission finds that Blue Grass Energy has addressed to the Commission's satisfaction the probable violations cited by Staff in connection with the August 29, 2018 incident. The Commission further finds that the Commission's investigation of the incident should be closed.

IT IS THEREFORE ORDERED THAT:

1. Blue Grass Energy's payment of Staff's proposed penalty and completion of remedial measures required by Staff is accepted and resolves all alleged violations of

KRS 278.042 or 807 KAR 5:041, as well as any penalty that could be assessed under KRS 278.990(1), arising out of the August 29, 2018 incident.

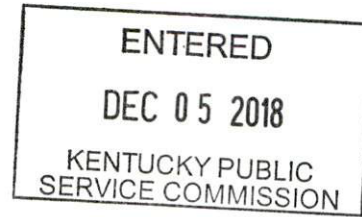
2. Blue Grass Energy's payment of Staff's proposed penalty is not an admission by Blue Grass Energy that it violated any provision of KRS Chapter 278 or any administrative regulation promulgated pursuant thereto.

3. The Commission's investigation of the August 29, 2018 incident is closed.

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

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By the Commission



ATTEST:

  
Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2018-00391 DATED **DEC 05 2018**

[THREE PAGES TO FOLLOW]



Matthew G. Bevin  
Governor

Charles G. Snaveley  
Secretary  
Energy and Environment Cabinet

Commonwealth of Kentucky  
**Public Service Commission**  
211 Sower Blvd.  
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Frankfort, Kentucky 40602-0615  
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Michael J. Schmitt  
Chairman

Robert Cicero  
Vice Chairman

Talina R. Mathews  
Commissioner

Michael I. Williams  
President and CEO  
Bluegrass Energy Cooperative Corporation  
P.O. Box 990  
1201 Lexington Road  
Nicholasville, KY 40340-0990

Re: August 29, 2018 Incident

### **DEMAND FOR REMEDIAL MEASURES AND FOR PENALTY ASSESSMENT**

Dear Mr. Williams:

This letter is in reference to an incident that occurred on August 29, 2018, at 1178 Sulphur Well Road near Nicholasville in Jessamine County, Kentucky, as a result of which Brian Coffman, an employee of Davis H. Elliot Company, Inc. (Elliot), suffered burn injuries. Elliot is a line contractor for Blue Grass Energy Cooperative Corporation (BGE). Kentucky Public Service Commission Staff (Staff) investigated the incident and prepared the attached Staff Accident Investigation Report (Report).

According to the Report, Mr. Coffman was part of an Elliot crew that was in the process of transferring a spacer cable circuit to a new pole as part of a highway relocation project. The tail of a grounded messenger conductor made contact with the energized phase conductor, creating an arc that burned Mr. Coffman. The resulting fault caused a service outage for approximately 871 BGE customers. Mr. Coffman was treated for burn injuries at the University of Kentucky Burn Center and released later that same day.

Based on its investigation of the incident, Staff has determined that BGE's contractor violated the following provisions of the 2017 National Electrical Safety Code (NESC):

1. NESC Part 4, Section 42, Rule 420(C) – Safeguarding Oneself and Others. Elliot employees failed to take account of their own safety on the job site.
2. NESC Part 4, Section 42, Rule 420(H) – Tools and Protective Equipment. Elliot employees failed to use a protective rubber blanket to cover and insulate the end of the energized phase conductor.

3. NESC Part 4, Section 42, Rule 421(A) – Mr. Hoffman’s supervisor failed to adopt such precautions as were within his control to prevent accidents and failed to see that all safety rules and operating procedures were observed by employees under his supervision.
4. NESC Part 4, Section 44, Rule 441(A)(1) – Mr. Hoffman approached an ungrounded energized conductor within the minimum approach distance without being insulated from the energized conductor by protective equipment KRS 278.042 provides that the Commission shall ensure that each electric utility constructs and maintains its plant and facilities in accordance with accepted engineering practices as set forth in the Commission’s administrative regulation and orders and in the most recent edition of the NESC. 807 KAR 5:041, Section 3(1) requires each electric utility to construct and maintain its plant and facilities in accordance with accepted engineering practices, adopting the provisions of the NESC as applicable standards of accepted good engineering practices. Based on its investigation of the incident and its determination that Elliot employees committed violations of the NESC, Staff finds that BGE is in violation of 807 KAR 5:041, Section 3(1), for failing to maintain its plant and facilities in accordance with accepted engineering practices.

### **REMEDIAL MEASURES**

In order to resolve the above violations, the following remedial measures must be completed:

- Within 15 days of the date of this letter, BGE shall submit to the Commission a description of all remedial measures undertaken or to be undertaken by BGE and Elliot to prevent similar incidents from occurring in the future. The measures shall include a review by BGE of Elliot’s safety manual to determine if the standards set forth in the manual meet or exceed the standards set forth in BGE’s own manual and the steps BGE will take if the standards do not. Copies of training and supporting documentation shall be mailed to the Public Service Commission, c/o John S. Lyons, 211 Sower Boulevard, Frankfort, KY 40601.

### **CIVIL PENALTY**

KRS 278.990(1) provides that a utility’s willful violation of any of the provisions of KRS Chapter 278, or any administrative regulation promulgated pursuant thereto, shall subject the utility to a civil penalty assessed by the Commission not to exceed \$2,500 for each violation. Under the statute, each act, admission or failure of a person acting for a utility within the scope of his employment shall be deemed to be the act, omission or failure of the utility. After investigation of this matter, it is Commission Staff’s recommendation that BGE be subject to a civil penalty in the amount of \$10,000 for four violations of the NESC and 807 KAR 5:041, Section 3(1).

Michael I. Williams  
November 7, 2018  
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If BGE does not wish to contest the proposed civil penalty, BGE should mail or deliver a company check, cashier's check or money order made payable to the "**Kentucky State Treasurer**" in the amount of \$10,000, within 30 days of the date of this letter, to:

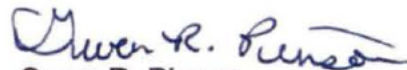
Kentucky Public Service Commission  
211 Sower Blvd.  
Frankfort, Kentucky, 40602

Payment of the proposed civil penalty will satisfy and resolve any and all claims against BGE for any violation of KRS 278.042 or of 807 KAR 5:041, Section 3(1) and for any penalty under KRS 278.990 arising out of the August 29, 2018 incident. BGE's payment of the proposed civil penalty will not be considered an admission by BGE that it willfully violated any provision of KRS Chapter 278 or any administrative regulation promulgated pursuant thereto. Upon payment of the proposed penalty, the Commission will confirm resolution of this matter by entry of an order. Payment of the penalty constitutes a waiver by BGE of any right to a hearing in any proceeding initiated to close the investigation.

If BGE does not pay the proposed civil penalty within 30 days of the date of this letter, the Commission will institute an administrative proceeding against BGE and schedule a formal hearing, at which BGE will have an opportunity to present evidence and show cause why it should not be subject to penalties in KRS 278.990(1) based on the August 29, 2018 incident.

This demand letter addresses only those matters specifically referred to in this document. This demand does not waive or otherwise affect any obligations or liabilities that may result from other activities by BGE. If you have any questions, please contact John Park at 502-782-2589.

Sincerely,



Gwen R. Pinson  
Executive Director

Attachment

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1201 Lexington Road  
P. O. Box 990  
Nicholasville, KY 40340-0990

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