

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

HENDERSON-UNION RURAL ELECTRIC)
COOPERATIVE CORPORATION, INC.)

CASE NO. 92-416

_____)
ALLEGED FAILURE TO COMPLY WITH)
COMMISSION REGULATION 807 KAR 5:006)

O R D E R

On September 28, 1992, the Commission initiated this show cause proceeding to determine whether Henderson-Union Rural Electric Cooperative Corporation, Inc. ("Henderson-Union") should be subjected to the penalties of KRS 278.990 for its alleged failure to comply with Commission Regulation 807 KAR 5:006, Section 26.

Subsequently, at the request of Henderson-Union, Commission Staff and Henderson-Union entered into settlement negotiations. On November 16, 1992, Commission Staff and Henderson-Union entered into a Settlement Agreement resolving all outstanding issues in this case. Henderson-Union entered into the Settlement Agreement with the understanding that its effectiveness is conditioned upon its acceptance by the Commission. A copy of the Settlement Agreement is attached hereto and incorporated herein as Appendix A.

In summary, the Settlement Agreement provides:

1. Henderson-Union will strictly comply with 807 KAR 5:006, Section 26, in the future and will issue a policy statement to that effect to its employees within 10 days of the date of this Order.

2. Henderson-Union shall, within 10 days of the date of this Order, pay the sum of \$500 as a penalty for all violations of Commission regulations arising out of the June 11, 1992 accident.

After consideration of the record in this proceeding, the Settlement Agreement and the underlying factual and legal analysis necessary to evaluate the Settlement Agreement, the Commission finds that:

1. Henderson-Union is willing to take certain actions in order to prevent similar violations in the future.

2. The Settlement Agreement is reasonable, supported by the evidence of record, is in accordance with the law, and does not violate any regulating principle.

IT IS THEREFORE ORDERED that:

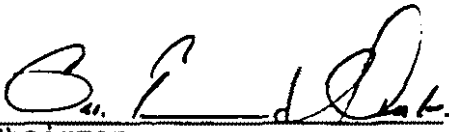
1. The Settlement Agreement is hereby adopted and approved as settlement of all outstanding issues in this proceeding.

2. Within 10 days of the date of this Order, Henderson-Union shall issue a policy statement to its employees that Henderson-Union will strictly comply with 807 KAR 5:006, Section 26, in the future. Within 20 days of the date of this Order, Henderson-Union shall send to the Commission a copy of said policy statement with a sworn affidavit reporting that the statement has been issued to every employee of Henderson-Union.

3. Henderson-Union shall, within 10 days of the date of this Order, pay the agreed penalty of \$500 by certified check or money order made payable to the Kentucky State Treasurer. Said check or money order shall be mailed or delivered to the Office of General Counsel, Public Service Commission, 730 Schenkel Lane, P. O. Box 615, Frankfort, Kentucky 40602.

Done at Frankfort, Kentucky, this 4th day of December, 1992.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 92-416 DATED December 4, 1992.

COMMONWEALTH OF KENTUCKY

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HENDERSON-UNION RURAL ELECTRIC
COOPERATIVE CORPORATION, INC.

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CASE NO. 92-416

ALLEGED FAILURE TO COMPLY WITH
COMMISSION REGULATION 807 KAR 5:006)

SETTLEMENT AGREEMENT

This Settlement Agreement is entered into this 16th day of November, 1992, by and between Henderson-Union Rural Electric Cooperative Corporation, Inc. ("Henderson-Union") and the Staff of the Public Service Commission of Kentucky ("Commission Staff").

WHEREAS, Commission Staff issued an Electrical Utility Accident Investigation Report dated August 19, 1992 ("Investigation Report") detailing its investigation of an accident which involved Henderson-Union facilities; and

WHEREAS, Commission Staff in its Investigation Report found that certain actions of Henderson-Union constituted probable violation of Commission Regulation 807 KAR 5:006, Section 26; and

WHEREAS, on September 28, 1992, the Public Service Commission of Kentucky ("Commission") ordered Henderson-Union to show cause why it should not be subject to the penalties of KRS 278.990 for its alleged violations of Commission Regulation 807 KAR 5:006, Section 26; and

WHEREAS, Henderson-Union and Commission Staff have stipulated to the following:

1. Henderson-Union is a private corporation formed under the provisions of KRS Chapter 279, is engaged in the distribution of electricity to the public, for compensation, for light, heat, power and other uses, and is therefore a utility subject to the regulatory jurisdiction of the Commission.
2. Commission Regulation 807 KAR 5:006, Section 26, requires an electrical utility to notify the Commission within two (2) hours following the discovery of any utility related accident which results in serious injury or overnight hospitalization.
3. On June 11, 1992, Steve Cote suffered burns to his hands and one foot when the boom of the truck he was using came into contact with an overhead distribution line belonging to Henderson-Union. Subsequent to the accident he was taken to Henderson Community Hospital. Cote was hospitalized overnight for observation and then discharged.
4. Henderson-Union learned of the accident at 4:15 p.m. (CDT), on June 11, 1992.
5. Henderson-Union notified the Commission of this accident by telephone on June 12, 1992. Commission Staff and Henderson-Union conducted a site inspection on June 16, 1992. Henderson Union's management advised that when the owner of the truck contacted them about the accident they were told that Cote was not hurt; and that when they arrived at the scene of the accident, they discovered that Cote was injured and insisted that he go to the hospital.
6. Henderson-Union's failure to notify the Commission within two (2) hours of discovering the accident is a violation of Commission Regulation 807 KAR 5:006, Section 26.
7. Subsequent to the accident, Henderson-Union issued a policy statement to its employees instructing employees to strictly comply with 807 KAR 5:006, Section 26.

WHEREAS, Henderson-Union and Commission Staff desire to settle the issues raised by this proceeding.

NOW, THEREFORE, Henderson-Union and Commission Staff agree as follows:

1. Henderson-Union assures the Commission that Henderson-Union RECC will comply strictly with 807 KAR 5:006, Section 26, in the future and, if the proposed settlement is approved by the Commission, will issue a second policy statement to that effect to its employees within 10 days of the date of the Order approving said settlement.

2. Henderson-Union shall, within ten days of entry of an Order approving this Settlement Agreement, pay to the Kentucky State Treasurer the sum of five hundred dollars (\$500) as a penalty for any and all violations of Commission regulations arising out of the June 11, 1992 accident.

3. This Settlement Agreement constitutes full satisfaction of any penalties arising out of this proceeding against Henderson-Union. Commission Staff shall recommend to the Commission that this Settlement Agreement be approved and that this proceeding be closed and removed from the Commission's docket.

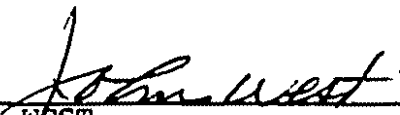
4. This Settlement Agreement is subject to the acceptance and approval of the Commission.

5. If the Commission fails to accept and approve the Settlement Agreement in its entirety, this proceeding shall go forward and neither the terms of this Settlement Agreement nor any matters raised during settlement negotiations shall be binding on any signatory.

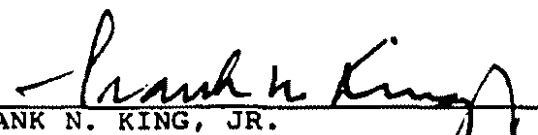
6. If the Commission accepts and approves this Settlement Agreement in its entirety and enters an Order in this proceeding to that effect, Henderson-Union shall not apply for rehearing in this proceeding nor bring an action for review of that Order.

IN WITNESS WHEREOF, Henderson-Union and Commission Staff have executed this Settlement through their duly authorized attorneys.

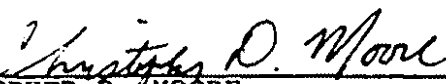
AGREED TO BY:



JOHN F. WEST
General Manager, Henderson-Union Rural
Electric Cooperative, Inc.



FRANK N. KING, JR.
Counsel for Henderson-Union Rural
Electric Cooperative, Inc.



CHRISTOPHER D. MOORE
Counsel for Public Service Commission
of Kentucky Staff