

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

JACKSON PURCHASE ELECTRIC COOPERATIVE)
CORPORATION)
)
)
_____) CASE NO. 93-231
)
ALLEGED FAILURE TO COMPLY WITH COMMISSION)
REGULATION)

O R D E R

On July 6, 1993, the Commission initiated this show cause proceeding against Jackson Purchase Electric Cooperative Corporation ("Jackson Purchase") upon finding six probable violations of Commission regulations, 807 KAR 5:006, Section 24, and 807 KAR 5:041, Section 3(1). The probable violations arise from an accident that occurred on April 2, 1993 involving Richard Newton, a first class lineman and foreman for Jackson Purchase, who was injured while installing a lightning arrestor and cut out assembly on an energized deadend transformer pole installation at the Birdsville Campground, Livingston County, Kentucky.

Jackson Purchase and the Commission Staff have entered into a Stipulation of Facts and Settlement ("Stipulation") which provides that Jackson Purchase has or will initiate the following:

1. An employee disciplinary policy resulting in a one week suspension without pay for violating safety codes and possible termination after two such violations within 18 months.

2. A "tailgate" program whereby the supervisor and his crew must meet and discuss applicable safety procedures before starting any project.

3. Expansion of their monthly safety meetings to include discussion of the safety code as adopted by Jackson Purchase.

4. The payment of a civil penalty in the amount of \$1,500.

In determining whether the results of the Stipulation are in the public interest and are reasonable, the Commission has taken into consideration the comprehensive nature of the Stipulation and the amount of the penalty to be paid. Based on the evidence of record and being advised, the Commission hereby finds that the Stipulation is in accordance with the law and does not violate any regulatory principle. The Stipulation is the product of serious arms-length negotiations among capable, knowledgeable participants, is in the public interest and results in a reasonable resolution of all issues and charges pending in this case.

IT IS THEREFORE ORDERED that:

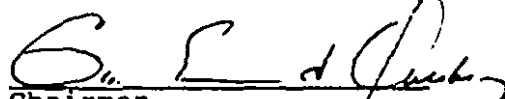
1. The Stipulation, attached hereto and incorporated herein as Appendix A, be and it hereby is adopted and approved in its entirety as a complete resolution of all issues and charges in this case.

2. Jackson Purchase shall pay a civil penalty of \$1,500 and the check that has been tendered is hereby accepted.

3. This case be and it hereby is closed.

Done at Frankfort, Kentucky, this 21st day of March, 1994.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

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STIPULATION OF FACTS AND SETTLEMENT

Jackson Purchase Electric Cooperative Corporation ("Jackson Purchase") and the Public Service Commission Staff hereby agree, as of the date last set forth below, that this case be submitted to the Public Service Commission ("Commission") for acceptance and approval of the following stipulation of facts and settlement.

Jackson Purchase is a Kentucky corporation, organized under the provisions of KRS 279.010 and 279.210, which owns and operates facilities used in the distribution of electricity to the public for compensation for light, heat, power, and other uses.

On April 2, 1993, Mr. Richard Newton, first class lineman and foreman for Jackson Purchase, was installing a lightning arrester and cutout assembly on an energized dead end transformer pole installation at the Birdsville Campground, Livingston County, Kentucky. While performing this work in his bucket truck, Mr. Newton contacted a 7.2 KV energized installation, resulting in burns to his right hand and left elbow.

At the time of the accident, Mr. Newton: a) was not wearing rubber gloves, although such personal protective equipment was provided and available to him; b) had not grounded his bucket truck although the requisite grounding equipment had been provided and was available to him; c) had not placed any protective rubber equipment on the dead end transformer installation, although such personal protective equipment had been provided to him and was available for use; and d) was the individual in charge with responsibility for the work to be performed at this job.

At all times pertinent hereto, Jackson Purchase owned the facilities upon which Mr. Newton was working and Mr. Newton was working within the scope of his employment with Jackson Purchase.

By Order dated July 6, 1993, the Commission initiated this investigation to determine whether Jackson Purchase should be subject to the penalties prescribed in KRS 278.990 for six probable violations: three under 807 KAR 5:006, Section 24, which requires each utility to adopt and execute a safety program which in this instance is the American Public Power Association Safety Manual, Eighth Edition ("APPA"); and three under 807 KAR 5:041, Section 3(1), which requires each electric utility to construct and maintain its plant in accordance with the National Electric Safety Code, ANSI C-2 1990 Edition ("NESC"). Specifically, the following probable violations were noted:

1. NESC Section 42, 42H, employee's failure to use personal protective equipment;
2. NESC Section 42, 420H, employee's failure to use protective devices;

3. NESC Section 42, 421A.1 and 421A.2, failure of the person in charge to adopt such precautions that are within his authority to prevent accidents and ensure that safety rules and operating procedures are observed;
4. APPA Section 3, 311v, failure to properly ground an aerial bucket truck working adjacent to energized primary lines;
5. APPA Section 5, 502b, failure to utilize rubber protective equipment when work is to be done on or near energized lines; and
6. APPA Section 5, 504d(1), employee's failure to wear rubber gloves while working within falling or reaching distance of installations that are energized.

Jackson Purchase filed a response to the Commission's Show Cause Order on July 27, 1993. Jackson Purchase admits that Mr. Newton was not wearing rubber gloves at the time the accident occurred, but contends that this omission constitutes only one violation of the Commission's regulations rather than three as cited in the July 6, 1993 Order. Jackson Purchase also admits that: 1) Mr. Newton did not ground his bucket truck while working at this location; and 2) Mr. Newton did not adopt such precautions as were within his authority to prevent this accident and he did not see that the safety rules and operating procedures were observed.

Jackson Purchase's adoption of the APPA as its safety program complies with the requirements of 807 KAR 5:006, Section 24. Jackson Purchase provided Mr. Newton with all the requisite equipment to perform his work at this installation without injury, and Mr. Newton possessed the mental faculties and had been provided

sufficient training to perform his duties in a safe and workman like manner.

In response to the accident involving Mr. Newton, Jackson Purchase has implemented or will implement the following procedures in an effort to decrease work related accidents in its work force:

1. An employee disciplinary policy has been instituted. Pursuant to this policy, an employee violating applicable safety codes shall be suspended for one week without pay. Any employee committing two such violations within an 18 month period shall be subject to termination. As part of this policy, unannounced inspections of the work place shall be performed by management in an effort to note the occurrence of safety violations.

2. A "tail gate" policy has been instituted whereby the supervisor and his crew must meet and discuss applicable safety procedures before starting any project.

3. Discussion and review of the APPA shall be implemented as part of its monthly safety meetings.

Jackson Purchase agrees that it shall pay a civil penalty in the amount of \$1,500 as a full and complete resolution of all charges pending against it in this case. Jackson Purchase denies that it has committed willful violations of KRS Chapter 278 or the regulations promulgated pursuant thereto. Jackson Purchase's agreement to pay the civil penalty herein provided shall not constitute an admission of liability but is simply a means of

resolving this case in an amicable, expeditious, and cost saving manner.



DAVID L. KELLY
JACKSON PURCHASE

2/25/94
DATE



RICHARD G. RAFF, ATTORNEY FOR
PUBLIC SERVICE COMMISSION STAFF

March, 1994
DATE