

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

KENTUCKY UTILITIES COMPANY)
_____)

ALLEGED VIOLATION OF COMMISSION)
REGULATION 807 KAR 5:041, SECTION 3)

) CASE NO. 96-356

O R D E R

On August 2, 1996, the Commission directed Kentucky Utilities Company ("KU") to appear at a hearing to show cause why it should not be penalized pursuant to KRS 278.990(1) for its alleged violation of Administrative Regulation 807 KAR 5:041, Section 3.

Following the commencement of this proceeding, KU and Commission Staff entered into negotiations to resolve all outstanding issues. On June 17, 1997, they executed a Settlement Agreement which is appended hereto.

In reviewing this Settlement Agreement, the Commission has considered, inter alia, the circumstances surrounding the March 29, 1996 incident and KU's efforts to comply with the Commission's safety regulations.

After reviewing the Settlement Agreement, as amended, and being otherwise sufficiently advised, the Commission finds that it is in accordance with the law, does not violate any regulatory principle, results in a reasonable resolution of this case, and is in the public interest.

IT IS THEREFORE ORDERED that:

1. The Settlement Agreement is incorporated into this Order as if fully set forth herein.

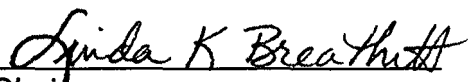
2. The terms and conditions set forth in the Settlement Agreement are adopted and approved.

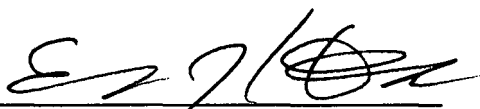
3. Within 10 days of the date of this Order, KU shall pay to the Commonwealth of Kentucky the sum of One Thousand Five Hundred (\$1,500) Dollars. This payment shall be in the form of a cashier's or certified check made payable to "Treasurer, Commonwealth of Kentucky" and shall be mailed or delivered to: Office of General Counsel, Public Service Commission of Kentucky, 730 Schenkel Lane, Post Office Box 615, Frankfort, Kentucky 40602.

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

Done at Frankfort, Kentucky, this 8th day of July, 1997.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

AN APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 96-356 DATED 7/8/97

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In the Matter of:

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SETTLEMENT AGREEMENT

THIS AGREEMENT is made and entered this 17th day of June, 1997, by and between the STAFF OF THE PUBLIC SERVICE COMMISSION OF KENTUCKY ("Commission Staff") and KENTUCKY UTILITIES COMPANY ("KU").

WITNESSETH:

THAT, WHEREAS, the Commission Staff issued an Utility Accident Investigation Report dated May 6, 1996 ("Investigation Report") detailing its investigation of an incident which occurred on March 29, 1996 and involved KU facilities; and,

WHEREAS, Commission Staff in its Investigation Report found that, at the time of the incident, KU employee Jerry M. Hall failed to comply with National Electrical Safety Code Sections 441A1 and 443A1 and that, as a result of Mr. Hall's failure, a probable violation of Administrative Regulation 807 KAR 5:041, Section 3(1), had occurred; and,

WHEREAS, on August 2, 1996, the Public Service Commission found that prima facie evidence existed that KU had failed to comply with Administrative Regulation 807 KAR 5:041, Section 3(1); and,

WHEREAS, on August 2, 1996, the Public Service Commission ordered KU to show cause why it should not be subject to the penalties of KRS 278.990(1) for its alleged violation of Administrative Regulation 807 KAR 5:041, Section 3(1); and,

WHEREAS, KU and Commission Staff stipulate that:

1. At approximately 10:30 a.m., Eastern Standard Time, on March 29, 1996, Jerry M. Hall was fatally injured while working on a 7200 volt distribution line in Bell County, Kentucky.
2. At the time of the incident, Hall was removing a line hoist on a double dead end 7200 volt single phase line. While Hall performed this task, the line hoist became energized. Hall was electrocuted when he came into contact with the energized line hoist while his body was grounded against the primary neutral.
3. At the time of the incident, Hall was a KU employee and acting within the scope of his employment.
4. At the time of the incident, Hall was not using all necessary protective equipment.
5. At the time of the incident, Hall had not isolated the energized primary neutral.
6. At the time of the March 29, 1996 incident, KU owned and maintained the facilities in question.
7. The facilities in question are located on Highway 987 near Cubbage, Kentucky.
8. Administrative Regulation 807 KAR 5:041, Section 3, requires an electric utility to construct and maintain its electric facilities in accordance with the National Electrical Safety Code (1990 ed.) ("NESC").
9. NESC Section 441A1 prohibits an employee from approaching or taking any conductive object without a suitable insulating handle near exposed parts within certain distances unless: (a) the line or part is deenergized; or (b) the employee is insulated from the energized line or part; or

(c) the energized line or part is insulated from the employee; or (d) the employee is insulated from all conducting surfaces other than the one upon which the employee is working.

10. NESC Section 443A1 requires that when an employee is working on energized line and equipment, he must be insulated from energized parts or he must be isolated or insulated from ground and grounded structures, and potentials other than the one being worked on.
11. While performing maintenance on the pole, Hall failed to comply with NESC Sections 441A1 and 443A1.

WHEREAS, KU and Commission Staff desire to settle the issues raised by this proceeding.

NOW, THEREFORE, KU and Commission Staff agree that:

1. Within 10 days after the entry of an Order approving this Settlement Agreement, KU shall pay to the Commonwealth of Kentucky the sum of One Thousand Five Hundred (\$1,500) Dollars. This payment shall be in the form of a cashier's or certified check made payable to "Treasurer, Commonwealth of Kentucky" and shall be mailed or delivered to: Office of General Counsel, Public Service Commission of Kentucky, 730 Schenkel Lane, Post Office Box 615, Frankfort, Kentucky 40602.

2. This Settlement Agreement is submitted for purposes of settling any alleged violations of KRS Chapter 278 which might be attributed to KU, is not an admission by KU that KU committed a willful violation of any administrative regulation and may not be asserted to be such an admission by any party hereto or by any third party. This Settlement Agreement shall not be offered or relied upon in respect to any other issues or in any other proceeding involving KU or any other utility.

3. This Settlement Agreement resolves all issues arising out of the March 29, 1996 incident.

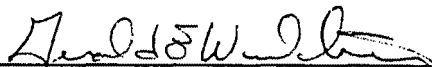
4. This Agreement is subject to the acceptance of and approval by the Public Service Commission.

5. If the Public Service Commission fails to accept and approve this 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 either signatory.

6. If the Public Service Commission accepts and adopts this Settlement Agreement in its entirety and enters an order in this proceeding to that effect, KU shall not apply for rehearing in this proceeding nor bring an action for review of that order.

IN WITNESS WHEREOF, KU and Commission Staff have executed this Settlement Agreement the day and year first above written by and through their duly authorized attorneys.

STAFF OF PUBLIC SERVICE COMMISSION
OF KENTUCKY

BY: 

TITLE: Staff Attorney

KENTUCKY UTILITIES COMPANY

BY: 

TITLE: Attorney for Kentucky Utilities Company