

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

KENTUCKY POWER COMPANY D/B/A)
AMERICAN ELECTRIC POWER)

_____)
ALLEGED FAILURE TO COMPLY WITH)
COMMISSION REGULATION 807 KAR)
5:006, SECTION 25(4)(d))

CASE NO. 96-446

O R D E R

By Order dated September 17, 1996, the Commission directed Kentucky Power Company d/b/a American Electric Power ("Kentucky Power") to appear at a hearing on October 18, 1996 to show cause why it should not be subject to the penalties provided for under KRS 278.990 for the probable violation of Commission regulation 807 KAR 5:006, Section 25(4)(d), which requires an electric utility to inspect all lines operating at less than 69 KV at intervals not to exceed two years. The probable violation arose from a July 8, 1996 accident in Martin County, Kentucky resulting in injuries to two BellSouth employees.

At Kentucky Power's request, the hearing was held in abeyance and an informal conference was convened to provide an opportunity to discuss the operative facts surrounding the accident. Kentucky Power appeared at the conference and the discussion with Commission Staff resulted in the filing of a Stipulation of Facts and Agreement ("Stipulation") on February 5, 1997. This Stipulation includes the following:

- 1) a summary of the relevant facts;
- 2) an acknowledgement by Kentucky Power that it

is not current in its biennial inspections; 3) a statement that Kentucky Power is "attempting to increase its resources for line inspections in an effort to be in compliance with [807 KAR 5:006, Section 25(4)] by the end of 1997"; and 4) the payment of a \$1000.00 civil penalty by Kentucky Power.

Based on a review of the Stipulation, the Commission finds that Kentucky Power has not sufficiently committed itself to performing the necessary inspections to be in compliance with 807 KAR 5:006, Section 25(4), by a date certain. In addition, the seriousness of the violation should require Kentucky Power to be in compliance with the biennial inspection requirement long before the end of 1997, absent extenuating circumstances not now in the record. Therefore, the Commission finds that the Stipulation is not in the public interest and should be rejected. This case should now be scheduled for a hearing unless Kentucky Power indicates a willingness to renegotiate the Stipulation.

IT IS THEREFORE ORDERED that:

1. The Stipulation filed on February 5, 1997 is rejected.
2. Kentucky Power shall notify the Commission within seven days of the date of this Order if its desire to renegotiate the Stipulation or proceed to a hearing.

Done at Frankfort, Kentucky, this 24th day of February, 1997.

ATTEST:

PUBLIC SERVICE COMMISSION



Executive Director



For the Commission