

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

KENTUCKY POWER COMPANY D/B/A)
AMERICAN ELECTRIC POWER)
)
) CASE NO. 96-446

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

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). 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 First Revised Stipulation of Facts and Agreement ("Stipulation") on April 23, 1997. The Stipulation, attached hereto as Appendix A and incorporated herein by reference, sets forth the relevant facts and provides that Kentucky Power: 1) has taken the necessary steps to ensure that adequate resources are available to perform the required facilities inspections; 2) is committed to completing its two

year inspection cycle by the end of 1997; and 3) will pay a civil penalty in the amount of \$1,000 in full satisfaction of the probable violation.

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 settlement and Kentucky Power's willingness to cooperate to achieve a speedy resolution of this proceeding. Based on the evidence of record, and being otherwise sufficiently 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 arms-length negotiations among capable, knowledgeable parties, is in the public interest, and results in a reasonable resolution of all issues in this case.

IT IS THEREFORE ORDERED that:

1. The Stipulation is adopted and approved in its entirety as a complete resolution of all issues in this case.

2. Kentucky Power shall pay \$1,000 as a civil penalty within 30 days of the date of this Order by certified check or money order made payable to the Kentucky State Treasurer and mailed or delivered to the Office of General Counsel, Public Service Commission, 730 Schenkel Lane, Frankfort, Kentucky.

Done at Frankfort, Kentucky, this 9th day of May, 1997.

PUBLIC SERVICE COMMISSION

Lynda K. Breckhoff
Chairman

Edna J. Hines
Vice Chairman

ATTEST:

Don Mills
Executive Director

B. G. Helton
Commissioner

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC
SERVICE COMMISSION IN CASE NO. 96-446 DATED MAY 9, 1997

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ALLEGED FAILURE TO COMPLY WITH) CASE NO. 96-446
COMMISSION REGULATION 807 KAR)
5:006, SECTION 25(4)(d))

FIRST REVISED
STIPULATION OF FACTS AND AGREEMENT

By Order dated September 17, 1996, the Commission initiated this proceeding to determine whether Kentucky Power Company d/b/a American Electric Power ("Kentucky Power") should be subject to penalties prescribed in KRS 278.990 for the probable violation of 807 KAR 5:006, Section 25(4)(d). The Order arose out of an accident on July 8, 1996, in Martin County, Kentucky, in which two employees of BellSouth Telecommunications, Inc. were injured when a Kentucky Power electric pole fell. Pursuant to Kentucky Power's request, an informal conference with the Commission Staff ("Staff") was held at the Commission's offices on October 24, 1996.

Kentucky Power and the Staff submit the following agreement for the Commission's consideration in rendering its decision in this proceeding:

1. Kentucky Power agrees that the Staff's Utility Accident Investigation Report, appended to the Commission's Order dated September 17, 1996, accurately presents the facts relevant to this proceeding.

2. Kentucky Power had realized that the inspection of some of its lines operating at less than 69 kv had slipped behind the schedule mandated by 807 KAR 5:006, Section 25(4)(d). Kentucky Power has taken the necessary steps to ensure that adequate resources are available to perform the facility inspections as required by Commission regulations. In addition, Kentucky Power is committed to completing its two year inspection cycle by the end of 1997.

3. Kentucky Power agrees to pay the amount of \$1,000 (one thousand dollars) in full settlement of this proceeding. Neither this payment, nor any other agreement contained in this Stipulation of Facts and Agreement, shall constitute an admission by Kentucky Power that it has violated any section of the Commission's regulations, nor shall it be used in any civil proceeding relating to this incident.

4. Kentucky Power and the Staff agree that if this Stipulation of Facts and Agreement is not adopted in its entirety by the Commission, Kentucky Power and the Staff reserve their rights to withdraw therefrom and require that a hearing be held on any and all matters involved herein. In such event, Kentucky Power and the Staff agree that the contents of this Stipulation of Facts and Agreement shall not be deemed binding upon the parties hereto, and cannot be used as an admission by either party.

5. Kentucky Power and the Staff agree that the foregoing Stipulation of Facts and Agreement is reasonable, is in the public interest, and should be adopted in its entirety by the Commission, and if so adopted, no petition for rehearing or judicial appeal will be filed.

AGREED TO BY:

<u>Jason P. Thomas</u>	<u>4.23.97</u>	<u>Richard G. Raff</u>	<u>9/15/97</u>
Jason P. Thomas	Date	Richard G. Raff	Date
Stites and Harbison			

COUNSEL FOR KENTUCKY POWER CO.

COUNSEL FOR COMMISSION STAFF