

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

CUMBERLAND VALLEY ELECTRIC, INC.	)	
	)	
_____	)	CASE NO. 2000-403
	)	
ALLEGED FAILURE TO COMPLY WITH	)	
ADMINISTRATIVE REGULATIONS	)	
807 KAR 5:006, SECTION 24 AND	)	
807 KAR 5:041, SECTION 3	)	

O R D E R

On December 21, 2000, the Commission directed Cumberland Valley Electric, Inc. ("Cumberland") 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 Commission regulations.

Following the commencement of this proceeding, Cumberland and Commission Staff entered into negotiations to resolve all outstanding issues. On March 30, 2001, they executed the Settlement Agreement that is appended hereto.

In reviewing the Settlement Agreement, the Commission has considered, inter alia, the circumstances surrounding the May 26, 2000 incident and Cumberland's efforts to comply with the Commission's safety regulations.

After reviewing the Settlement Agreement, and being otherwise sufficiently advised, the Commission finds that the Settlement Agreement 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.

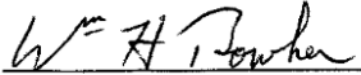
IT IS THEREFORE ORDERED that:

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, Cumberland shall pay to the Commonwealth of Kentucky the sum of One Thousand Five Hundred Dollars (\$1,500). This payment shall be in the form of a cashier's or certified check made payable to the "Treasurer, Commonwealth of Kentucky" and shall be mailed or delivered to: The Office of General Counsel, Public Service Commission of Kentucky, 211 Sower Boulevard, P.O. Box 615, Frankfort, Kentucky 40601.
4. The hearing scheduled for April 11, 2001 is cancelled and the case is closed.

Done at Frankfort, Kentucky, this 5<sup>th</sup> day of April, 2001.

By the Commission

ATTEST:

Deputy   
Executive Director

COMMONWEALTH OF KENTUCKY  
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 ADMINISTRATIVE REGULATIONS )  
 807 KAR 5:006, SECTION 24 AND )  
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SETTLEMENT AGREEMENT

This Agreement is made and entered this 30<sup>th</sup> day of March, 2001, by and between the Staff of the Public Service Commission of Kentucky ("Commission Staff") and Cumberland Valley Electric, Inc. ("Cumberland").

WITNESSETH:

WHEREAS, Commission Staff issued a Utility Accident Investigation Report ("Investigation Report") detailing its investigation of an incident involving David Taylor, an employee of Cumberland. On May 26, 2000, Mr. Taylor and another employee of Cumberland were hooking up an underground service near Corbin, Kentucky when the wrench Mr. Taylor was using to tighten the ground wire on the neutral terminator came into contact with an energized secondary lead. An arc occurred resulting in burns to Mr. Taylor's right thumb and index finger;

WHEREAS, Commission Staff in its Investigation Report found that Cumberland has failed to comply with the National Electric Safety Code (1990 Edition) and the American Public Power Association Safety Manual and that this failure constituted

probable violations of Commission Regulations 807 KAR 5:041, Section 3, and 807 KAR 5:006, Section 24;

WHEREAS, on December 21, 2000, the Public Service Commission ("Commission") found that prima facie evidence existed that Cumberland had failed to comply with Commission Regulations 807 KAR 5:041, Section 3 and 807 KAR 5:006, Section 24;

WHEREAS, on December 21, 2000, the Commission entered a show cause Order in Case No. 2000-403 ordering Cumberland to show cause why it should not be subject to the penalties of KRS 278.990 for its alleged violation of Commission Regulations;

WHEREAS, Cumberland filed its response to the show cause Order and requested an informal conference with Commission Staff which was held at the Commission's offices on February 7, 2001; and

WHEREAS, Cumberland and Commission Staff desire to settle the issues raised by this proceeding;

NOW, THEREFORE, Cumberland and Commission Staff agree that:

1. Within 10 days after the entry of an Order approving this Settlement Agreement, Cumberland shall pay to the Commonwealth of Kentucky the sum of One Thousand Five Hundred Dollars (\$1,500). 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, 211 Sower Boulevard, Post Office Box 615, Frankfort, Kentucky 40601.

2. This Agreement is subject to the acceptance of, and the approval by, the Commission.

3. Nothing contained herein shall be construed as an admission of a violation of any Commission regulation or any provision of the NESC or APPA by Cumberland; nor shall the Commission's acceptance of this Agreement be construed as a finding of a violation of Commission regulation or any provision of the NESC or APPA.

4. 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.

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

6. Commission Staff shall recommend to the Public Service Commission that this Settlement Agreement be accepted and approved.

IN WITNESS WHEREOF, Cumberland 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: Anita S. Mitchell  
ANITA MITCHELL  
Staff Attorney

CUMBERLAND VALLEY ELECTRIC, INC.

BY: W. Patrick Hauser  
W. PATRICK HAUSER  
Attorney for Cumberland Valley  
Electric, Inc.