

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

JACKSON COUNTY RURAL	)	
ELECTRIC COOPERATIVE, INC.	)	
_____	)	CASE NO. 1997-00381
	)	
ALLEGED VIOLATION OF	)	
COMMISSION REGULATION	)	
807 KAR 5:006 AND 807 KAR 5:041	)	

O R D E R

Jackson Energy Cooperative, formerly Jackson Energy Rural Electric Cooperative Corporation ( Jackson Energy ), is a Kentucky corporation that owns and operates facilities used in the distribution of electricity to the public for lights, heat, power and other uses.

On September 22, 1997, the Commission entered an Order establishing this case and directing Jackson Energy to show cause why it should not be subject to the penalties of KRS 278.990 for failing to comply with Commission regulations.

On November 1, 2001, a telephonic informal conference was held pursuant to the request of Jackson Energy. During the informal conference, Jackson Energy entered into negotiations with Commission Staff to resolve all outstanding issues in this proceeding. Agreement was reached on settlement, which was subsequently reduced to writing and executed for Commission approval. A copy of the agreement is appended hereto.

In reviewing the Settlement Agreement, the Commission has considered, *inter alia*, the circumstances surrounding the alleged violations and manner in which similar proceedings have been resolved by agreement.

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. No formal hearing shall be held in this case.
2. The Settlement Agreement, appended hereto, is incorporated into this Order as if fully set forth herein.
3. The terms and conditions set forth in the Settlement Agreement are adopted and approved.
4. Upon the payment of the penalty as set out in paragraph 1 of the Settlement Agreement, this case shall be removed from the Commission's docket.

Done at Frankfort, Kentucky, this 12<sup>th</sup> day of February, 2002.

By the Commission

ATTEST:

*William Eversole for*  
*Thomas M. Doonan*  
Executive Director

# **APPENDIX**

APPENDIX TO AN ORDER OF THE  
KENTUCKY PUBLIC SERVICE COMMISSION

IN CASE NO. 1997-00381

DATED

February 12, 2002

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:


JACKSON COUNTY RURAL ELECTRIC  
COOPERATIVE, INC.

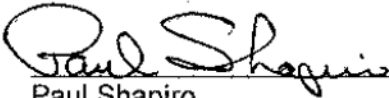
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) CASE NO. 97-381  
)

ALLEGED VIOLATION OF COMMISSION  
REGULATION 807 KAR 5:006 AND 807 KAR  
5:041

NOTICE OF FILING AND  
MOTION FOR APPROVAL OF SETTLEMENT AGREEMENT

Jackson Energy Cooperative, formerly Jackson County Rural Electric Cooperative Corporation and Commission Staff give notice of their filing of their Settlement Agreement in the above-styled proceeding and move the Commission for its approval.

  
\_\_\_\_\_  
J. Warren Keller  
Taylor, Keller & Dunaway, PLLC  
802 North Main Street  
Post Office Box 905  
London, KY 40743-0905  
ATTORNEY FOR JACKSON ENERGY COOPERATIVE

  
\_\_\_\_\_  
Paul Shapiro  
Public Service Commission  
211 Sower Building  
P.O. Box 615  
Frankfort, KY 40602-0615  
ATTORNEY FOR PUBLIC SERVICE COMMISSION

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

JACKSON COUNTY RURAL ELECTRIC  
COOPERATIVE, INC.

)

)

)

CASE NO. 97-381

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ALLEGED VIOLATION OF COMMISSION  
REGULATION 807 KAR 5:006 AND 807 KAR  
5:041

SETTLEMENT AGREEMENT

THIS AGREEMENT is made and entered this 11th day of January, 2002, by and between the STAFF OF THE PUBLIC SERVICE COMMISSION OF KENTUCKY ("Commission Staff") and JACKSON ENERGY COOPERATIVE, formerly Jackson County Rural Electric Cooperative Corporation ("Jackson Energy").

WITNESSETH:

THAT, WHEREAS, Jackson Energy is a Kentucky corporation that owns and operates facilities used in the distribution of electricity to the public for compensation for light, heat, power and other uses; and,

WHEREAS, on August 20, 1996, an incident occurred near Grey Hawk, Kentucky; and,

WHEREAS, on November 25, 1996, Commission Staff issued a Utility Accident Investigation Report regarding this incident; and,

WHEREAS, on September 22, 1997, the Public Service Commission entered an order establishing this case and directing Jackson Energy to show cause why it should not be subject to the penalties of KRS 278.990(1) relating to this incident; and,

WHEREAS, on October 14, 1997, Jackson Energy, by counsel, filed its response to the Commission's Order of September 22, 1997; and,

WHEREAS, Jackson Energy and Commission Staff desire to settle the issues raised by this proceeding and have entered into this Settlement Agreement through compromise to settle proceeding.

NOW, THEREFORE, Jackson Energy and Commission Staff agree that:

1. Within 10 days after the entry of an Order approving this Settlement Agreement, Jackson Energy shall pay to the Commonwealth of Kentucky the sum \$3,500. 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 40602.

2. Jackson Energy acknowledges that NESC Rule 422A(1) requires precautions be taken against contact with energized conductors when setting a pole.

3. Jackson Energy further acknowledges that Section 619(d)(4) of its Safety Manual requires that while setting poles between or near conductors energized above 600 volts, ground wires shall not be attached on the pole higher than 10 feet above the ground.

4. Nothing contained herein shall be construed as an admission of a willful violation of any statute, administrative regulation or any provision of the NESC nor shall

the Public Service Commission's acceptance of this agreement be construed as a finding of a willful violation of any statute, administrative regulation or any provision of the NESC.

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


6. 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 or be construed against either Jackson Energy or Commission Staff.

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

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

JACKSON ENERGY COOPERATIVE

BY: \_\_\_\_\_

  
J. Warren Keller  
Taylor, Keller & Dunaway, PLLC  
802 North Main Street  
Post Office Box 905  
London, KY 40743-0905

