

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2004-00085 DATED APRIL 15, 2004.

**INCIDENT INVESTIGATION ~ Staff Report**

**Report Date** ~ June 18, 2003

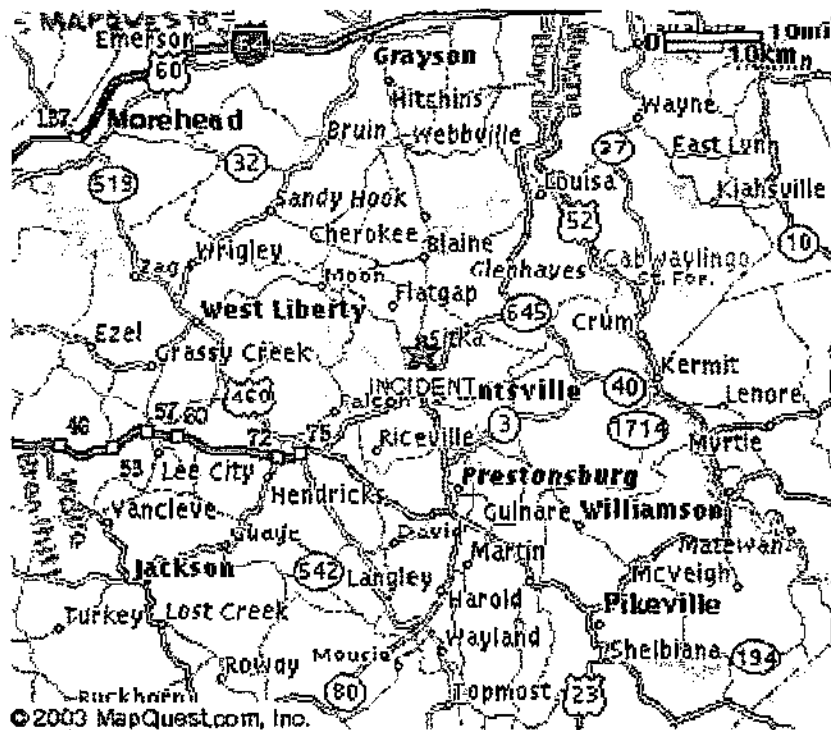
**Incident Date** ~ May 6, 2003

**Serving Utility** ~ Big Sandy Rural Electric Cooperative Corporation

**Incident Location** ~ Daniel's Branch Road, Johnson County, Sitka, KY

**Victims** ~ Mr. Paul Holbrook

**PSC Lead Investigator** ~ Mr. John Laud



# Kentucky Public Service Commission

## Electric Utility Personal Injury Accident Report

<b>Utility:</b>	<b>Big Sandy Rural Electric Cooperative Corporation</b>	
<b>Reported By:</b>	Jeff Prater	
<b>Incident Occurred</b>	May 6, 2003	Approximately 4:45 P.M.
<b>Utility Notified:</b>	May 7, 2003	Approximately 8:00 A.M.
<b>PSC Notified:</b>	May 7, 2003	8:39 A.M.
<b>PSC Investigated:</b>	May 8, 2003	
<b>Report Rcvd:</b>	May 12, 2003	
<b>Incident Location:</b>	Incident occurred on Daniel's Branch Road just off Rt. 201 in Johnson County-Sitka, Kentucky	
<b>Incident Description:</b>	<p>Mr Paul Holbrook and Mr. Joseph Samons, both employees of G&amp;S Contracting, INC. were in the process of setting a 45-foot pole in an energized overhead primary line when the incident occurred. Mr. Holbrook was injured when the pole inadvertently contacted the primary overhead line. Mr. Holbrook received an entry wound to his right hip and an exit wound to his left foot. Mr. Holbrook stated that he was on the butt end of the pole guiding it to the hole where the pole was to be set, while Mr. Samons was raising it with the winch line on the digger derrick. Mr. Holbrook stated he remembers seeing the pole claws on the digger derrick close around the pole as it neared an upright position and his knees buckling but doesn't remember much else. Mr. Holbrook stated he had fallen when his knees buckled and injured his left arm, which was later discovered to be broken. Mr. Samons stated he heard a buzz at the time of the incident but did not see the pole contact the line. It was noted during this investigation that the pole had been framed on the ground complete with a pole ground running the length of the pole. The pole ground had been extended approximately 3 feet past the butt end of the pole and is believed to have been the source of contact in relation to Mr. Holbrook's injuries when the pole contacted the energized line. Mr. Ron Sexton was the Foreman at the site and is also part owner of G&amp;S Contracting, INC. Mr. Sexton stated that he and several more employees were at the site but did not witness the incident. Mr. Sexton stated he was in his truck nearby and when he saw the pole after the incident, it was approximately a foot away from the line. Mr. Sexton stated that Mr. Holbrook was wearing his rubber gloves but did not have his rubber boots on which he stated is required by his company's safety rules. Mr. Sexton also stated that there was no cover up material being used on the line or pole at the time of the incident. He stated that at the time he thought the job could be done safely without it.</p>	

# Kentucky Public Service Commission

## Electric Utility Personal Injury Accident Report

<b>Victim(s):</b>	<b>Name</b>		<b>Address</b>	<b>Employer</b>
	Paul Holbrook		170 Billy Salyers Br. Flat Gap, Kentucky	G & S Contracting, INC. 1709 KY RT 321 Prestonsburg, KY
	<b>Fatality</b>	<b>Age</b>		
	No	41		
<b>Injury</b>	Mr. Holbrook received a small entry wound to right hip and an exit wound on his left foot. He also broke his left arm during the incident.			
<b>Witness (es):</b>	<b>Name</b>		<b>Address</b>	<b>Employer</b>
	N/A		N/A	N/A
<b>Information From:</b>	<b>Name</b>		<b>Position</b>	<b>Employer</b>
	Jeff Prater		Assistant Plant Superintendent	Big Sandy RECC Paintsville, Kentucky
	Ron Sexton		Foreman & Part Owner	G & S Contracting, INC. 1709 KY RT 321 Prestonsburg, Kentucky
	Joseph Samons		Lineman	G & S Contracting, INC. 1709 KY RT 321 Prestonsburg, Kentucky
	Paul Holbrook		Truck Operator	G & S Contracting, INC. 1709 KY RT 321 Prestonsburg, Kentucky
John Land		Investigator	PSC Engineering Staff	

# Kentucky Public Service Commission

## Electric Utility Personal Injury Accident Report

Line/Equipment Measurements/Clearances					
Line Clearances At Point of Incident:	Measured	Minimum Allowed by NESC	Applicable NESC Edition <sup>1</sup> 2002	Voltage	Construct Date
Primary Phase (contact point)	38'-2"	18'-6"	NESC 2002 Edition	7620	Unknown
Primary Neutral	34'-2"	15'-6"	NESC 2002 Edition	N/A	Unknown
<b>Measurement Date:</b>	May 8, 2003				
<b>Temp &amp; Weather:</b>	Approximately 72 degrees, cloudy and overcast				
<b>Measurements Made By:</b>	<b>Name</b>		<b>Company</b>		
	Joseph Samons		G & S Contracting, INC.		
	Jeff Prater		Big Sandy RECC		
	John Land		PSC Engineering Staff		

<sup>1</sup> If clearances were not in compliance with the current edition, then the edition in effect when the facilities were last constructed or modified would apply.

<p><b>Probable Violations:</b></p>	<p><b><u>807 KAR 5:041; Section 3; Acceptable Standards</u></b></p> <p>A utility shall construct and maintain its plant and facilities in accordance with good accepted engineering practices. Unless otherwise specified by the commission, the utility shall use applicable provisions in the following publications as standards of accepted good engineering practice for construction and maintenance of plant and facilities, herein incorporated by reference:</p> <p><b>(1) National Electrical Safety Code; ANSI C-2. 1990 Edition:</b></p> <p><b>Section 42, General-Rules for employees; Rule 420: C4, H, Rule 421. A1&amp;2</b></p> <p><b>420. Personal General Precautions</b></p> <p style="padding-left: 40px;"><b>(C) Safeguarding Oneself and Others</b></p> <p style="padding-left: 80px;">(4) Employees who work on or in the vicinity of energized lines shall consider all of the effects of their actions, taking into account their own safety as well as the safety of other employees on the job site, or on some other part of the affected electric system, the property of others, and the public in general.</p> <p style="padding-left: 40px;"><b>(H) Tools and protective Equipment</b></p> <p>Employees shall use the personal protective equipment, the protective devices, and the special tools provided for their work before starting work, these devices and tools shall be carefully inspected to make sure they are in good condition.</p> <p><b>421. General Operating Routines</b></p> <p style="padding-left: 40px;"><b>(A) Duties of a First Level Supervisor or person in Charge</b></p> <p style="padding-left: 80px;">This individual shall:</p> <p style="padding-left: 120px;">(1) Adopt such precautions as are within this individual's authority to prevent accident.</p> <p style="padding-left: 120px;">(2) See that the safety rules and operating procedures are observed by the employees under the direction of this individual.</p> <p><b><u>807 KAR 5:006, Section 24; Safety Program</u></b></p> <p>Each utility shall adopt and execute a safety program, appropriate to the size and type of its operations.</p> <p style="padding-left: 40px;">(1) Establish a safety manual with written guidelines for safe working practices and procedures to be followed by utility employees.</p> <p style="text-align: center;"><b>Big Sandy RECC APPA Safety Manual:</b></p> <p style="text-align: center;"><b>Section 1: GENERAL RULES</b></p>
------------------------------------	---

**INTRODUCTION:**

**Supervisor Responsibilities:**

Supervisors shall be responsible not only for their own safety but also for the safe work performance of other employees under their supervision. Before assigning work to an employee, the supervisor shall be sure the employee knows and understands the hazards associated with the work and the proper procedures to perform the work safely.

**101 Application:**

- a) Every employee shall carefully study (not merely read) those safety rules applicable to their assigned duties. Compliance with these safety rules is mandatory and is considered a requirement for employment.
- b) If an employee is called upon to perform work that could be considered hazardous and proper protection is not provided, the matter should be brought to the attention of their supervisor before starting the work. If questions arise, interpretation rests finally with the supervisor.
- c) These rules represent minimum requirements and are only intended to cover average conditions. Employees shall use good judgment in dealing with conditions not covered in these rules. Additionally, employees shall follow all utility policies and procedures.

**618 Setting and Removing Poles:**

- d) While setting or removing poles between or near conductors energized above 600 volts, observe the following:
  - (1) If safe clearance cannot be maintained, the conductors shall be de-energized or covered with protective devices and spread, or pole guards shall be used to minimize accidental contact.

# Kentucky Public Service Commission

Electric Utility Personal Injury Accident Report

<b>Investigated By:</b>	<b>Name</b>	<b>Company</b>	
	John Land	PSC Engineering Staff	
<b>Signed:</b>	<i>John Land</i>		<b>Date</b>
			6-20-03
<b>Reviewed By:</b>	<b>Name</b>	<b>Company</b>	
	Gary E. Grubbs, PE	Mgr. PSC Engineering Staff	
<b>Signed:</b>	<i>Gary E. Grubbs</i>		<b>Date</b>
			6/22/03

- Attachments:**
- A. Big Sandy RECC Incident Report & Attachments
  - B. Photographs of Incident Site

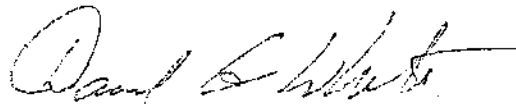


AFFIDAVIT

Adoption Notice  
Big Sandy R.E.C.C. Incident Report  
June 18, 2003

I, David G. White, after being duly sworn, state as follows:

- (1) I am a Utility Regulatory and Safety Investigator IV in the Electric Branch, Division of Engineering, Public Service Commission;
- (2) I have assumed the duties of John Land, originator of report, who has since retired;
- (3) In my capacity at the Commission, I have read and am familiar with the matters contained therein and do hereby adopt it as my own.



David G. White  
Utility Regulatory and Safety Investigator IV  
Division of Engineering

Subscribed and sworn to before me by David G. White on this the 3<sup>rd</sup> day of December, 2003.



Notary Public  
State at Large

My Commission expires: 11/05/07



# Kentucky Public Service Commission

Electric Utility Personal Injury Accident Report

---

## Attachment A

Big Sandy Incident Report

---



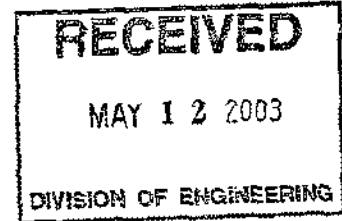
# Big Sandy Rural Electric Cooperative Corporation

504 11th Street  
Paintsville, Kentucky 41240-1422  
(606) 789-4095 • Fax (606) 789-5454

Branch Office:

Box 8, Glyn View Plaza  
Prestonsburg, KY 41653  
(606) 886-2987

May 9, 2003



Mr. Gary Grubbs, Manager  
KY Public Service Commission  
211 Sower Blvd.  
Frankfort, KY 40602

**RE: Johnson County Electrical Contact-injury**

Dear Mr. Grubbs:

Attached is a report of the above incident to comply with the seven day reporting requirement.

An investigation report, area map, copy of work order being preformed, and pictures are attached.

Please contact me if you need any additional information concerning this incident. (606) 789-4095.

Sincerely,

Jeff Prater  
Assistant Plant Superintendent



Mr. Holbrook was treated for a broken arm and was found to have a small burn on his right hip and a small burn on his left foot.

Mr. Holbrook was released May 8, 2003 and is reportedly doing well.

Arlie Daniel and Bill Massey took photographs of the structure on May 7, 2003. Jeff Prater took investigation notes and measurements on May 8, 2003.

Date of accident- May 6, 2003

Approximate time 4:45 PM

Big Sandy RECC received notification May 7, 2003 at approx. 8:00AM

Measurements:

Eastside Phase- 37'

Eastside neutral- 32' 4"

Westside Phase- 38' 2"

Westside neutral- 34' 2"

Northside Phase- 39' 6"

Northside neutral- 35' 2"

Southside Phase- 39' 6"

Southside neutral- 35' 2"

TV cable- 21'

Telephone Cable- 20'

Existing Pole 45 class 5

New Pole 45 class 5

System installed- 1951

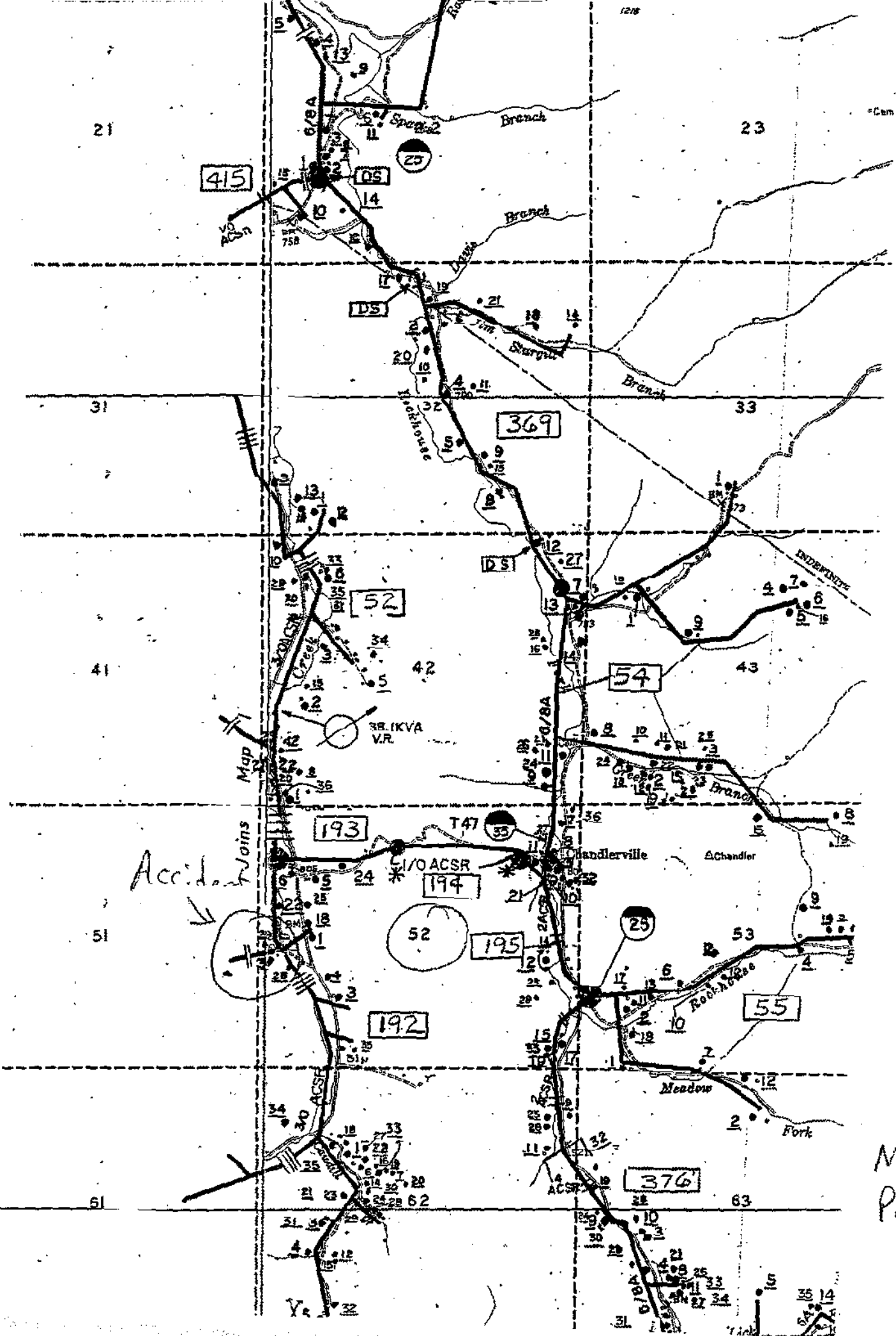
Big Sandy RECC Map Page 2, Block 52, Line Section 192, Volga Substation

Date of last Line Inspection for this circuit was May 20, 2002

Also included in this report:

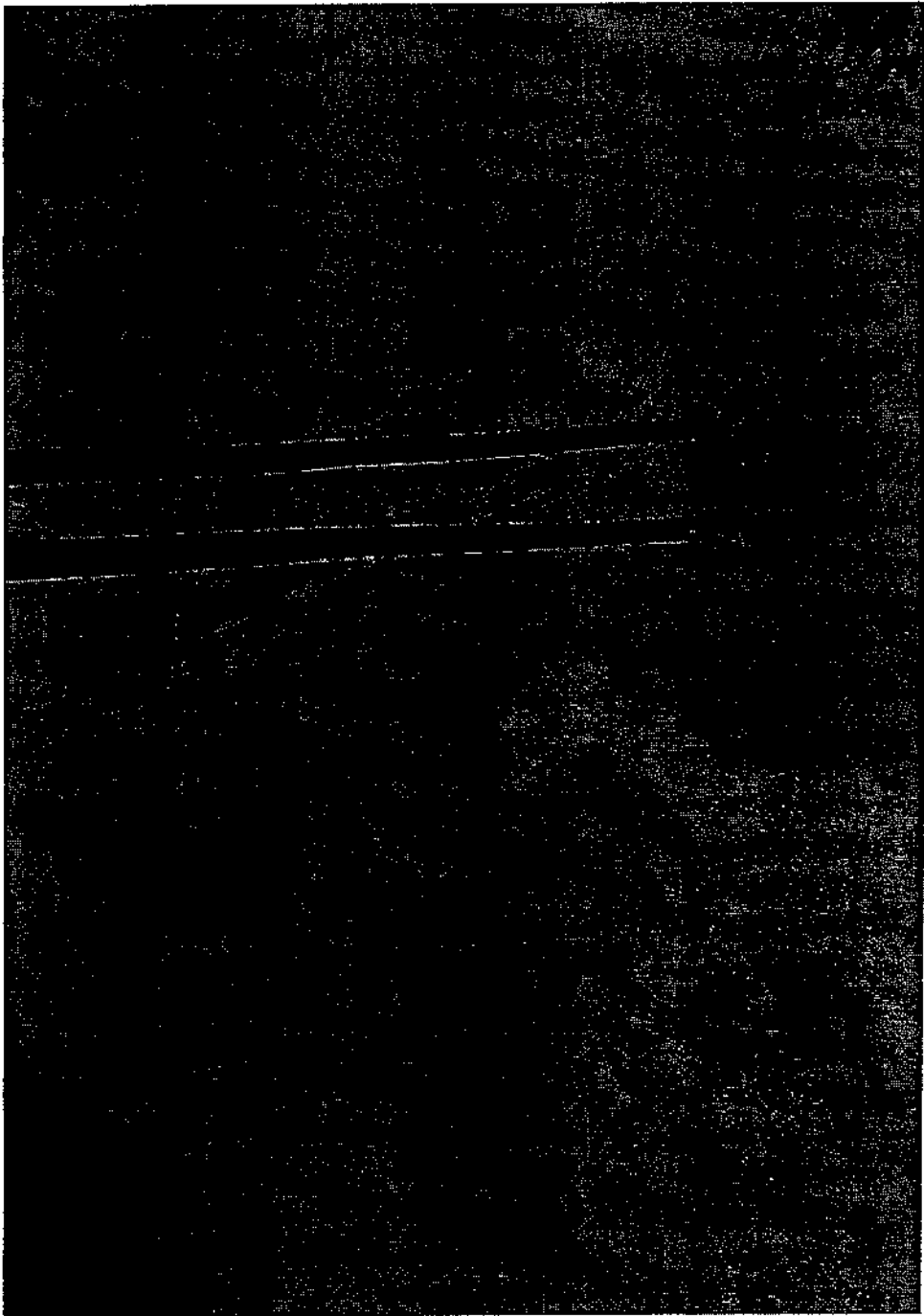
System Map of this area

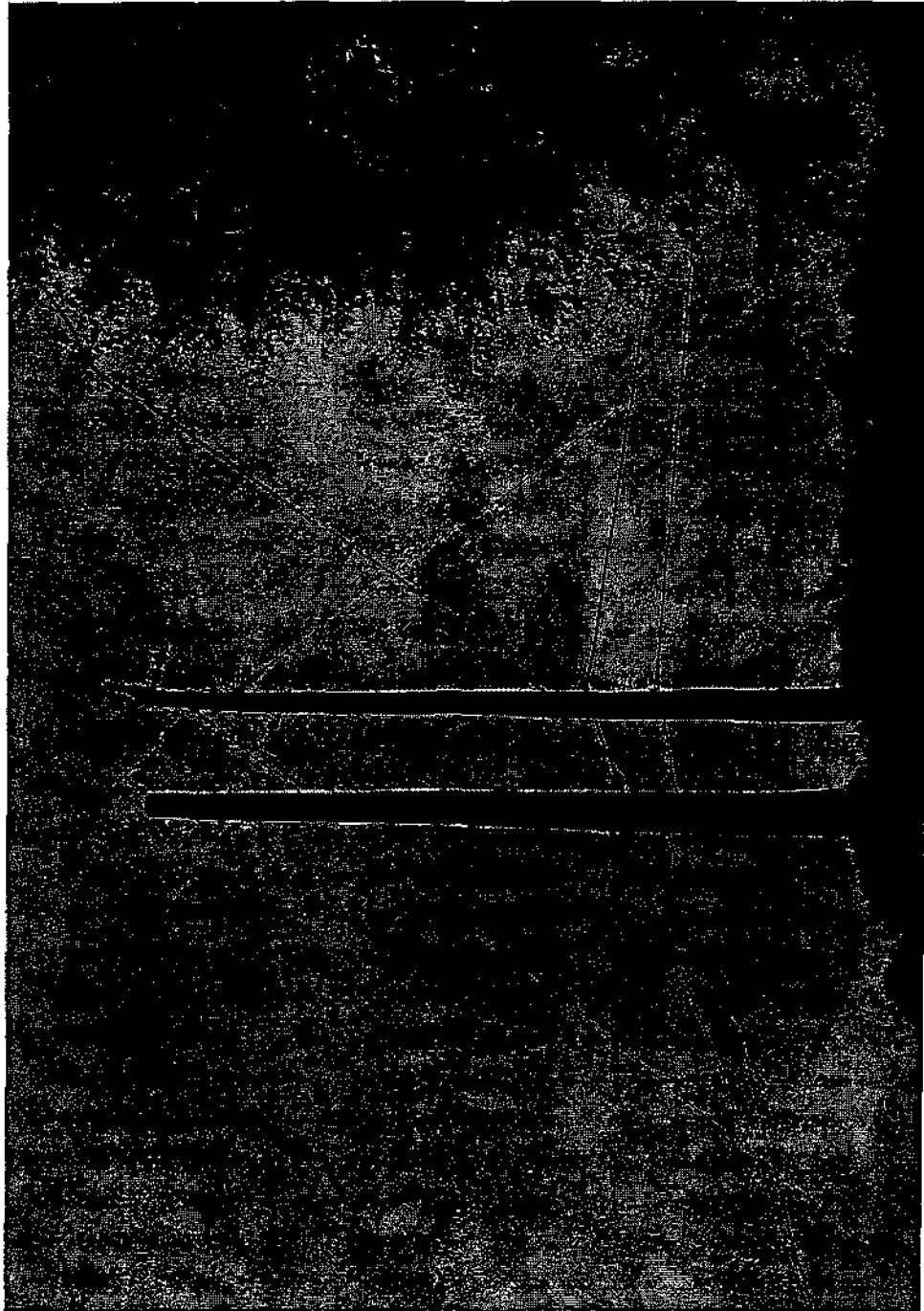
Copy of Work order



Accident

Map  
Page  
2





504 11th Street  
 Paintsville, KY 41240  
 Phone: 606-789-4095  
 Fax: 606-789-5454

**BIG SANDY RECC**

**Fax**

**To:** Public Service Commission      **From:** Jeff Prater  
**Fax:** 502-564-1582      **Date:** May 7, 2003  
**Phone:** 502-564-3940      **Pages:** 1  
**Re:** Electrical Accident      **ATTN:** *John Land*

Urgent     For Review     Please Comment     Please Reply     Please Recycle

**\*Comments:**

Dear Mr. White,

On May 6, 2003 at approximately 4:45 PM an electrical contact occurred in Johnson County just off Rt. 201 on Daniel's Branch.

Paul Holbrook, age 41, was injured while setting a pole in an overhead primary line. He was taken to Highlands Regional Medical Center KY Rt. 321 Prestonburg, KY. He suffered a broken arm and was found to have an apparent entry wound on his right hip, and exit wound on his left foot. He was kept overnight for observation and scheduled to be released today, May 7, 2003.

G&S Contracting Company 1709 KY Rt. 321, Suite 1A, Prestonburg, KY 41653 employed him. His Foreman is Ronald Coxton and was on site when the accident occurred.

Yours truly,

Jeff Prater

Assistant Plant Superintendent



# **DISTRIBUTION LINE EXTENSION CONSTRUCTION CONTRACT**

*(Labor Only)*

For

BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION

## **FOR CONSTRUCTION OF RURAL ELECTRIC SYSTEM IMPROVEMENTS & EXTENSIONS**

2003-2004

G & S CONTRACTING, INC  
Electrical Contractors  
1709 KY RT 321, Suite 1  
Prestonsburg KY 41653

**U. S. DEPARTMENT OF AGRICULTURE  
RURAL ELECTRIFICATION ADMINISTRATION**

REA FORM  
792  
REV 5-70

DISTRIBUTION LINE EXTENSION CONSTRUCTION CONTRACT  
(REA Form 792)

INDEX

	Page
Article I - General . . . . .	1
Section 1 - Offer to Construct . . . . .	1
Section 2 - Additional Projects . . . . .	1
Section 3 - Proposal on Unit Basis . . . . .	1
Section 4 - Description of Contract . . . . .	1
Section 5 - Familiarity with Conditions . . . . .	2
Section 6 - License . . . . .	2
Section 7 - Contractor's Resources . . . . .	2
Section 8 - Changes in Construction . . . . .	2
Article II - Construction . . . . .	2
Section 1 - Time and Manner of Work . . . . .	2
Section 2 - Changes in Plans, Specifications and Drawings . . . . .	3
Section 3 - Supervision and Inspection . . . . .	3
Section 4 - Defective Workmanship . . . . .	3
Section 5 - Materials . . . . .	4
Section 6 - Term of Contract . . . . .	4
Article III - Payment . . . . .	4
Section 1 - Payments to Contractor . . . . .	4
Section 2 - Certificate of Contractor and Indemnity Agreement - Line Extensions . . . . .	4
Article IV - Particular Undertakings of the Contractor . . . . .	5
Section 1 - Protection to Persons and Property . . . . .	5
Section 2 - Insurance . . . . .	6
Section 3 - Bond . . . . .	6
Section 4 - Delivery of Possession and Control to the Owner . . . . .	6
Article V - Remedies . . . . .	6
Section 1 - Completion on Contractor's Default . . . . .	6
Article VI - Miscellaneous . . . . .	7
Section 1 - Patent Infringement . . . . .	7
Section 2 - Permits for Explosives . . . . .	7
Section 3 - Compliance with Statutes and Regulations . . . . .	7
Section 4 - Equal Opportunity Provisions . . . . .	7
Section 5 - Franchises and Rights - of - Way . . . . .	8
Section 6 - Nonassignment of Contract . . . . .	8
Section 7 - Definitions . . . . .	9
Section 8 - Extensions to Successors & Assigns . . . . .	9
Construction Units - New Construction	
Section 1 - Pole Units . . . . .	11
Sections A, B, C - Pole Top Assembly Units . . . . .	11
Section D - Conductor Assembly Units . . . . .	13
Section E - Guy Assembly Units . . . . .	13
Section F - Anchor Assembly Units . . . . .	13

## Construction Units - New Construction--Continued

Section G - Transformer Assembly Units . . . . .	14
Section J - Secondary Assembly Units . . . . .	14
Section K - Service Assembly Units . . . . .	14
Section M - Miscellaneous Assembly Units . . . . .	15
Section R - Right-of-Way Clearing Units . . . . .	15
Section S - Substation Assembly Units . . . . .	16
Section UD-Underground Cable Assembly Units . . . . .	17
Section UG-Underground Transformer Assembly Units . . . . .	17
Section UK-Underground Secondary and Service Assembly Units . .	18
Section UM-Miscellaneous Underground Assembly Units . . . . .	18
Section UR-Underground Excavation Assembly Units . . . . .	18
 Construction Units - Line Changes	
General . . . . .	21
Section H - Conversion Assembly Units . . . . .	21
Section I - Removal Assembly Units . . . . .	23
Section N - New Assembly Units . . . . .	26
Acceptance . . . . .	29
Contractor's Bond . . . . .	31
Certificate of Contractor and Indemnity Agreement . . . . .	33
Supplemental Contract for Additional Project . . . . .	35

## PROPOSAL

TO: BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION

(hereinafter called the "Owner").

### ARTICLE I--GENERAL

Section 1--Offer to Construct. The undersigned (hereinafter called the "Contractor") hereby proposes to construct for the prices hereinafter stated, with materials furnished by the Owner, the rural electric project Line Conversion 2003 - 2004 Line Extensions (hereinafter called "Project") in strict accordance with the Plans, Specifications, and Construction Drawings hereinafter referred to. The Contractor understands and agrees that the Project will consist of line extensions and additions and line changes or similar work usually associated with overhead or underground distribution system improvement or extension work all located within the area served or ultimately to be served by the Owner and that the exact location and scope of individual sections of the Project (hereinafter called "Sections") will be made known to the Contractor from time to time as provided in Article II, Section 1 hereof; and provided, however, that the Contractor shall not be obligated to start construction of any Section unless the cost of construction of the Section computed on the unit prices of this Proposal shall amount to at least Two Thousand dollars (\$ 2,000.00) and provided further that the Owner shall be obligated to release to the Contractor for construction at least one Section pursuant to the provisions of this Proposal.

Section 2--Additional Projects. From time to time the Owner and the Contractor may enter into negotiations for the performance of work at labor prices which may differ from those in the Proposal (such work being hereinafter called "Additional Projects"). Except as may otherwise be agreed upon in writing by the Owner and the Contractor at the time the supplemental contract for the Additional Project is negotiated, the provisions of the Contract for the Project shall apply.

Section 3--Proposal on Unit Basis. The Contractor understands and agrees that the various Construction Units considered in this Proposal are defined by symbols and descriptions in this Proposal, that the Proposal is made on a unit basis, and that the Owner may specify, as provided in Article II, Section 1 hereof, any number or combination of Construction Units which the Owner, may deem necessary for the construction of the Project. If kinds of Construction Units for which prices are not established in this Proposal are necessary for the construction of the Project, the prices of such additional Units shall be as agreed upon in writing by the Owner and the Contractor prior to the time of installation. The unit prices herein set forth are applicable to work performed on unenergized lines. Such unit prices shall be increased by -0- (-0-) percent for all units installed on energized lines in accordance with instructions of the Owner, as provided in Article II, Section 1g.

Section 4--Description of Contract. The Specifications and Construction Drawings set forth in:

- REA Form 804, Specifications and Drawings for 7.2/12.5 kV Line Construction
- REA Form 803, Specifications and Drawings for 14.4/24.7 kV Line Construction
- REA Form 806, Specifications and Drawings for Underground Electric Distribution

as applicable, which by this reference are incorporated herein, together with the Plans, Proposals and Acceptance constitute the Contract. The Plans, consisting of maps and special drawings, and approved modifications in standard specifications are attached hereto and identified as follows:

System Improvements and Force Account as required



Section 5--Familiarity with Conditions. The Contractor acknowledges that it has made a careful examination of the site of the Project and of the Plans, Specifications and Construction Drawings, and has become informed as to the location and nature of the proposed construction, the transportation facilities, the kind and character of soil and terrain to be encountered, the kind of equipment, tools, and other facilities required before and during the construction of the Project and has become acquainted with the availability status of materials to be furnished by the Owner and with the labor conditions which would affect work on the Project.

Section 6--License. The Contractor warrants that a Contractor's license (is) (is not) required, and if ~~strike out one~~ required, it possesses Contractor's License No. \_\_\_\_\_ for the State of \_\_\_\_\_ in which the Project is located, and said license expires on \_\_\_\_\_, 20 \_\_\_\_\_.

Section 7--Contractor's Resources. The Contractor warrants that it possesses adequate financial resources for the performance of the work covered by this Proposal and that it will provide necessary tools and equipment and a qualified superintendent and other employees.

Section 8--Changes in Construction. The Contractor agrees to make such changes in construction previously installed in the Project by the Contractor as required by the Owner on the following basis:

The cost of labor shall be the reasonable cost thereof as agreed upon by the Contractor and the Owner but in no event shall it exceed two (2) times the labor price quoted in the Proposal for the installation of the unit to be changed. Such compensation shall be in lieu of any other payment for the installation and removal of the original unit but shall not include the cost of the installation, if any, of a new or replacing unit, payment for which shall be made at the unit price as quoted in the Proposal.

No payment shall be made to the Contractor for correcting errors or omissions on the part of the Contractor which result in construction not in accordance with the Plans and Specifications.

## ARTICLE II--CONSTRUCTION

Section 1--Time and Manner of Work. The Contractor agrees to be prepared to commence the construction of the Project within fifteen (15) calendar days after written notice by the Owner of acceptance of the Proposal. The Contractor agrees to commence construction of a Section within

Ten (10) days after receipt in writing from the Owner of the following:

- a. Location and number of the various Construction Units required for construction of the Section (hereinafter called the "Staking Sheets").
- b. Itemized list of the materials required for the construction of the Section and an authorization by the Owner for the Contractor to obtain such materials from the Owner's warehouse located at Paintsville, KY
- c. A schedule showing the rate at which construction of the Section shall proceed and the total number of calendar days (excluding Sundays) to be allowed for completion; provided, however, that the required completion time for any Section shall not be less than \_\_\_\_\_ (\_\_\_\_\_) days or Fifteen (15) days per mile of line, whichever is the greater, which days shall be calendar days (excluding Sundays). The time of the completion of the Section is of the essence of the contract to be effected by acceptance of this Proposal.
- d. A statement that all required easements and rights-of-way have been obtained from the owners of the properties across which the Section is to be constructed (including tenants who may reasonably be expected to object to such construction).
- e. A statement that all necessary staking has been completed.
- f. A statement that all necessary funds for prompt payment for the construction of the Section will be available.

- g. Specific instruction as to location and extent of work to be performed on energized lines, if any.

The Contractor will not be required to dig holes, set poles, install anchors, install underground conduit, perform any plowing for the installation of underground cable, or dig trenches if there are more than six (6) inches of frost in the ground nor to perform any construction on such days when in the judgment of the Owner snow, rain, or wind or the results of snow, rain, or frost make it impracticable to perform any operations of construction; provided further that the contractor will not perform any plowing for the installation of underground cable on public roads or highways if there are more than two (2) inches of frost in the ground. To the extent of the time lost due to the conditions described herein and approved in writing by the Owner, the time of completion set out above will be extended. The time for completion shall be extended for a period of any reasonable delay (other than a delay resulting from the failure of the Contractor to secure sufficient labor) which is due exclusively to causes beyond the control and without the fault of the Contractor including acts of God, fires, floods, inability to obtain materials, direction of the Owner to cease construction as herein provided, and acts or omissions of the Owner with respect to matters for which the Owner is solely responsible: Provided, however, that no such extension of time for completion shall be granted the Contractor unless within ten (10) days after the happening of any event relied upon by the Contractor for such an extension of time the Contractor shall have made a written request therefor in writing to the Owner, and provided further that no delay in such time of completion or in the progress of the work which results from any of the above causes, except acts or omissions of the Owner, shall result in any liability on the part of the Owner.

Section 2--Changes in Plans, Specifications and Drawings. The Owner may, from time to time during the progress of the construction of the Project, make such changes in, additions to, or subtractions from the Plans, Specifications, and Construction Drawings as conditions may warrant: Provided, however, that if the cost to the Contractor shall be materially increased by any such change or addition, the Owner shall pay the Contractor for the reasonable cost thereof in accordance with a construction contract amendment signed by the Owner and the Contractor, but no claim for additional compensation for any such change or addition will be considered unless the Contractor shall have made a written request therefor to the Owner prior to the commencement of work in connection with such change or addition.

Section 3--Supervision and Inspection.

- a. The Contractor shall cause the construction work on the Project to receive constant supervision by a competent superintendent (hereinafter called the "Superintendent") who shall be present at all times during working hours where construction is being carried on. The Contractor shall also employ, in connection with the construction of the Project, capable, experienced, and reliable foremen and such skilled workmen as may be required for the various classes of work to be performed. Directions and instructions given to the Superintendent by the Owner shall be binding upon the Contractor.
- b. The Owner reserves the right to require the removal from the Project of any employee of the Contractor if in the judgment of the Owner such removal shall be necessary in order to protect the interest of the Owner. The Owner shall have the right to require the Contractor to increase the number of his employees and to increase or change the amount or kind of tools and equipment if at any time the progress of the work shall be unsatisfactory to the Owner; but the failure of the Owner to give any such directions shall not relieve the Contractor of his obligations to complete the work within the time and in the manner specified in this Proposal.
- c. The manner of performance of the work, and all equipment used therein, shall be subject to the inspection, tests, and approval of the Owner. The Owner shall have the right to inspect all payrolls and other data and records of the Contractor relevant to the work. The Contractor will provide all reasonable facilities necessary for such inspection and tests. The Contractor shall have an authorized agent accompany the inspector when final inspection is made and, if requested by the Owner, when any other inspection is made.
- d. In the event that the Owner shall determine that the construction contains or may contain numerous defects, it shall be the duty of the Contractor, if requested by the Owner, to have an inspection made by an engineer approved by the Owner for the purpose of determining the exact nature, extent, and location of such defects.

Section 4--Defective Workmanship. The acceptance of any workmanship by the Owner shall not preclude the subsequent rejection thereof if such workmanship shall be found to be defective after installation, and any such workmanship found defective before final acceptance of the work or with

one (1) year after completion shall be remedied or replaced, as the case may be, by and at the expense of the Contractor. In the event of failure by the Contractor so to do, the Owner may remedy such defective workmanship and in such event the Contractor shall pay to the Owner the cost and expense thereof. The Contractor shall not be entitled to any payment hereunder so long as any defective workmanship, in respect of the Project, of which the Contractor shall have had notice, shall not have been remedied or replaced, as the case may be.

Section 5 Materials. At or prior to the commencement of construction of each Section, the Owner shall make available to the Contractor all materials for such Section which the Owner has on hand, and from time to time as such additional deliveries of materials, if any, are received by the Owner, the Owner shall make such materials available to the Contractor: Provided, however, that the Contractor or his authorized representative will give to the Owner a receipt in such form as the Owner shall approve for all materials furnished by the Owner to the Contractor. The Contractor will return to the Owner or reuse in the construction of other assembly units all materials removed from the lines under Section H - Conversion Assembly Units and Section I - Removal Assembly Units. Upon completion of each Section of the Project the Contractor will return to the Owner all materials, including usable materials as well as scrap, furnished by the Owner in excess of those required for the construction of the Section as determined from the Final Inventory approved by the Owner. The Contractor will reimburse the Owner at the current invoice cost to the Owner for loss and for breakage through Contractor's negligence of materials furnished by the Owner to the Contractor and for materials removed from the lines by the Contractor.

Section 6--Term of Contract. It is understood and agreed that, notwithstanding any other provisions of this Contract, the Contractor will not be required to commence any construction after the expiration of one year following acceptance of this Proposal by the Owner.

### ARTICLE III--PAYMENT

#### Section 1--Payments to Contractor.

- a. Within the first fifteen (15) days of each calendar month, the Owner shall make partial payment to the Contractor for construction accomplished during the preceding calendar month on the basis of completed Construction Units furnished and certified to by the Contractor and approved by the Owner solely for the purpose of payment: Provided, however, that such approval by the Owner shall not be deemed approval of the workmanship or materials. Only ninety percent (90%) of each such estimate approved during the construction of a Section shall be paid by the Owner to the Contractor prior to completion of the Section. Upon completion by the Contractor of the construction of a Section, the Contractor will prepare a Final Inventory of the Section showing the total number and character of Construction Units and, will certify it to the Owner together with a certificate of the total cost of the construction performed. Upon the approval of such certificates, the Owner shall make payment to the Contractor of all amounts to which the Contractor shall be entitled thereunder which shall not have been paid.
- b. The Contractor shall be paid on the basis of the number of Construction Units actually installed at the direction of the Owner, as shown by the Inventory based on the Staking Sheets: Provided, however, that the total cost shall not exceed the maximum Contract price for the construction of the Project, unless such excess shall have been approved in writing by the Owner. It is understood and agreed that this maximum Contract price is \_\_\_\_\_ dollars (\$ \_\_\_\_\_). It is also agreed that the Contractor shall not be entitled to any claim for damages on account of any reasonable additions to or subtractions from the Project, or of any delay occasioned thereby, or of any changes in the routing of the lines.
- c. No payment shall be due while the Contractor is in default in respect of any of the provisions of this Contract and the Owner may withhold from the Contractor the amount of any claim by a third party against either the Contractor or the Owner based upon an alleged failure of the Contractor to perform the work hereunder in accordance with the provisions of this Contract.

Section 2--Certificate of Contractor and Indemnity Agreement - Line Extensions. Upon the Completion of Construction of any Section of the Project but prior to payment to the Contractor of any amount in excess of 90 percent (90%) of the total cost of all Construction Units comprising the completed Section, the Contractor shall deliver to the Owner in the form attached hereto, (1) a certificate that all





persons who have furnished labor in connection with the Project and subcontractors who have furnished services for the Project have been paid in full, and (2) an agreement to hold the Owner harmless as set forth hereinafter:

Contractor, agrees to protect, defend, indemnify and hold harmless Owner and its employees, agents, officers and directors from any and all claims and damage which may arise from the construction or safety training or doing any work or furnishing of labor or materials provided for in this contract, of any part thereof, including, but not limited to, any and all claims or damage of employees of Contractor, their agents and subcontractors, and further including any and all claims and damage by governments for fines, penalties or assessments for alleged violations of laws, regulations and safety rules by Contractor, its employees, agents, or subcontractors. Further, Contractor, agrees to defend and pay all costs in defending these claims, including attorney fees.

#### ARTICLE IV--PARTICULAR UNDERTAKINGS OF THE CONTRACTOR

Section 1. Protection to Persons and Property. The Contractor shall at all times take all reasonable precautions for the safety of employees on the work and of the public, and shall comply with all applicable provisions of Federal, State, and Municipal safety laws and building and construction codes, as well as the safety rules and regulations of the Owner. All machinery and equipment and other physical hazards shall be guarded in accordance with the "Manual of Accident Prevention in Construction" of the Associated General Contractors of America unless such instructions are incompatible with Federal, State, or Municipal laws or regulations.

The following provisions shall not limit the generality of the above requirements:

- a. The Contractor shall at no time and under no circumstances cause or permit any employee of the Contractor to perform any work upon energized lines, or upon poles carrying energized lines, unless otherwise specified in accordance with Article II, Section 1, subsection g.
- b. The Contractor shall so conduct the construction of the Project as to cause the least possible obstruction of public highways.
- c. The Contractor shall provide and maintain all such guard lights and other protection for the public as may be required by applicable statutes, ordinances, and regulations or by local conditions.
- d. The Contractor shall do all things necessary or expedient to protect properly any and all parallel, converging, and intersecting lines, joint line poles, highways, and any and all property of others from damage, and in the event that any such parallel, converging and intersecting lines, joint line poles, highways, or other property are damaged in the course of the construction of the Project the Contractor shall at its own expense restore any or all of such damaged property immediately to as good a state as before such damage occurred.
- e. Where the right-of-way of the Project traverses cultivated lands, the Contractor shall limit the movement of his crews and equipment so as to cause as little damage as possible to crops, orchards, or property and shall endeavor to avoid marring the lands. All fences which are necessarily opened or moved during the construction of the Project shall be replaced in as good condition as they were found and precautions shall be taken to prevent the escape of livestock. Except as otherwise provided in the descriptions of underground plowing and trenching assembly units, the Contractor shall not be responsible for loss of or damage to crops, orchards, or property (other than livestock) on the right-of-way necessarily incident to the construction of the Project and not caused by negligence or inefficient operation of the Contractor. The Contractor shall be responsible for all other loss of or damage to crops, orchards, or property, whether on or off the right-of-way, and for all loss of or damage to livestock caused by the construction of the Project.
- f. The Project, from the commencement of work to completion, or to such earlier date or dates when the Owner may take possession and control in whole or in part as hereinafter provided shall be under the charge and control of the Contractor and during such periods of control by the Contractor all risks in connection with the construction of the Project and materials to be used therein shall be borne by the Contractor. The Contractor shall make good and fully repair all injuries and damages to the Project or any portion thereof and the control of the Contractor by reason of any act of God or other casualty or cause which or not the same shall have occurred by reason of the Contractor's negligence. The Contractor shall hold the Owner harmless from any and all claims for injuries to persons or damage to property happening by reason of any negligence on the part of the Contractor or any of the Contractor's agents or employees during the control by the Contractor of the Project or any part thereof.
- g. Any and all excess earth, rock, debris, underbrush, and other useless material shall be removed by the Contractor from the site of the Project as rapidly as practicable as the work progresses.

- h. Upon violation by the Contractor of any provisions of this section, after written notice of such violation given to the Contractor by the Owner, the Contractor shall immediately correct such violation. Upon failure of the Contractor so to do the Owner may correct such violation at the Contractor's expense.
- i. The Contractor shall submit to the Owner monthly reports in duplicate of all accidents, giving such data as may be prescribed by the Owner.
- j. The Contractor shall not proceed with the cutting of trees or clearing of right-of-way without written notification from the Owner that proper authorization has been received from the owner of the property, and the Contractor shall promptly notify the Owner whenever any landowner objects to the trimming or felling of any trees or the performance of any other work on his land in connection with the Project and shall obtain the consent in writing of the Owner before proceeding in any such case.
- k. The Contractor shall attend Owner's monthly safety meetings or produce evidence that the Contractor is providing equivalent safety training by qualified instructors to its employees. If Contractor chooses to attend Owner's safety meetings, then the Owner shall permit, without charge, all Contractors and their employees reasonable access to and use of its safety training facilities and safety training materials. Owner may impose reasonable conditions on the use of these facilities and materials. Owner shall also make available to its Contractor and their employees, without charge, annual CPR and First Aid Certification training.

Section 2 - Insurance. The Contractor shall take out and maintain throughout the construction period, insurance in the following minimum requirements.

- a. Workmen's compensation insurance covering all employees in statutory limits who perform any of the obligations assumed by the Contractor under the Proposal.
- b. Public liability and property damage liability insurance covering all operations under the Proposal; limits for bodily injury or death not less than \$1,000,000; for property damage, not less than \$1,000,000
- c. Automobile liability insurance on all self-propelled vehicles used in connection with the contract, whether owned, nonowned, or hired; public liability limits of not less than \$1,000,000, property damage limit of \$100,000 for each accident.

The Owner shall have the right at any time to require public liability insurance and property damage liability insurance greater than those required in subsections b and c of this Section. In any such event, the additional premium or premiums solely as the result of such additional insurance shall be added to the contract price.

Upon request by the owner the contractor shall furnish evidencing compliance with the foregoing requirements. Owner shall receive a minimum 30-day notice in the event of cancellation of insurance required by the agreement.

Section 3--Bond. If the estimated cost of the construction of a Section shall exceed \$25,000, the Contractor agrees to furnish prior to the commencement of such construction, a bond in the penal sum not less than the estimated cost of such Section in the form attached hereto with a Surety or Sureties listed by the United States Treasury Department as acceptable sureties. In the event that the Surety or Sureties on the performance bond delivered to the Owner shall at any time become unsatisfactory to the Owner, the Contractor agrees to deliver to the Owner another or an additional bond.

Section 4--Delivery of Possession and Control to the Owner. Upon written request of the Owner, the Contractor will deliver to the Owner full possession and control of any portion of the Project provided the Contractor shall have been paid at least ninety percent (90%) of the cost of construction of such portion. Upon such delivery of possession and control to the Owner, the risks and obligations of the Contractor as set forth in Section 11 of this Article IV with respect to such portion to be delivered to the Owner, shall be terminated; Provided, however, that nothing herein contained shall relieve the Contractor of any liability with respect to defective workmanship as specified in Article II, Section 4.

#### ARTICLE V--REMEDIES

Section 1--Completion on Contractor's Default. If default shall be made by the Contractor or by any subcontractor in the performance of any of the terms of this Proposal, the Owner, without in any manner limiting its legal and equitable remedies in the circumstances, may serve upon the Contractor and the Surety, if any, a written notice requiring the Contractor to cause such default to be corrected forthwith. Unless within twenty (20) days after the service of such notice upon the Contractor and the Surety, if any, such default shall be corrected or arrangements for the correction thereof satisfactory to the Owner shall be made, the Owner may take over the construction of the Project and prosecute the same to completion by contract or otherwise for the account and at the

expense of the Contractor, and the Contractor shall be liable to the Owner for any cost or expense in excess of the Contract price occasioned thereby. In such event the Owner may take possession of and utilize, in completing the construction of the Project, any materials, tools, supplies, equipment, appliance, and plant belonging to the Contractor or any of its subcontractors, which may be situated at the site of the Project. The Owner in such contingency may exercise any rights, claims, or demands which the Contractor may have against third persons in connection with this Proposal and for such purpose the Contractor does hereby assign, transfer, and set over unto the Owner all such rights, claims, and demands.

## ARTICLE VI--MISCELLANEOUS

Section 1--Patent infringement. The Contractor will save harmless and indemnify the Owner from any and all claims, suits, and proceedings for the infringement of any patent or patents covering any equipment used in the work.

Section 2--Permits for Explosives. All permits necessary for the handling or use of dynamite or other explosives in connection with the construction of the Project shall be obtained by and at the expense of the Contractor.

Section 3--Compliance with Statutes and Regulations. The Contractor will comply with all applicable statutes, ordinances, rules, and regulations pertaining to the work. The Contractor acknowledges that it is familiar with the Rural Electrification Act of 1936, as amended, the so-called "Kick-Back" Statute (48 Stat. 948), and regulations issued pursuant thereto, and 18 U.S.C. §§287,1001, as amended. The Contractor understands that the obligations of the parties hereunder are subject to the applicable regulations and orders of Governmental agencies having jurisdiction in the premises.

### Section 4. Equal Opportunity Provisions.

#### a. Contractor's Representations.

The Contractor represents that:

It has , does not have , 100 or more employees, and if it has, that

It has , has not , furnished the Equal Employment Opportunity--Employers Information Report EEO-1, Standard Form 100, required of employers with 100 or more employees pursuant to Executive Order 11246 and Title VII of the Civil Rights Act of 1964.

The Contractor agrees that it will obtain, prior to the award of any subcontract for more than \$10,000 hereunder to a subcontractor with 100 or more employees, a statement, signed by the proposed subcontractor, that the proposed subcontractor has filed a current report on Standard Form 100.

The Contractor agrees that if it has 100 or more employees and has not submitted a report on Standard Form 100 for the current reporting year and that if this Contract will amount more than \$10,000, the Contractor will file such report, as required by law, and notify the Owner in writing of such filing prior to the Owner's acceptance of this Proposal.

#### b. Equal Opportunity Clause. During the performance of this Contract, the Contractor agrees as follows:

(1) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to, the following: Employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this Equal Opportunity Clause.

(2) The Contractor will, in all solicitations or advertisements for employees placed by or behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

- (3) The Contractor will send to each labor union or representative of workers, with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the Contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- (4) The Contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- (5) The Contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- (6) In the event of the Contractor's noncompliance with the Equal Opportunity Clause of this Contract or with any of the said rules, regulations, or orders, this Contract may be cancelled, terminated, or suspended in whole or in part, and the Contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as provided by law.
- (7) The Contractor will include this Equal Opportunity Clause in every subcontract or purchase order unless exempted by the rules, regulations, or order of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, That in the event a Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

c. Certificate of Nonsegregated Facilities. The Contractor certifies that it does not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not permit its employees to perform their services at any location, under its control, where segregated facilities are maintained. The Contractor certifies further that it will not maintain or provide for its employees any segregated facilities at any of its establishments, and that it will not permit its employees to perform their services at any location, under its control, where segregated facilities are maintained. The Contractor agrees that a breach of this certification is a violation of the Equal Opportunity Clause in this Contract. As used in this certification, the term "segregated facilities" means any waiting rooms, work areas, restrooms and washrooms, restaurants and other eating areas, timeclocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, or national origin, because of habit, local custom, or otherwise. The Contractor agrees that (except where it has obtained identical certifications from proposed subcontractors for specific time periods) it will obtain identical certifications from proposed subcontractors prior to the award of subcontracts exceeding \$10,000 which are not exempt from the provisions of the Equal Opportunity Clause, and that it will retain such certifications in its files.

Section 5--Franchises and Rights-of-way. The Contractor will be under no obligation to obtain or assist in obtaining any franchises, authorizations, permits, or approvals required to be obtained by the Owner from Federal, State, County, Municipal or other authority; any rights-of-way over private lands or any agreements between the Owner and third parties with respect to the joint use of poles, crossing or any other matter incident to the construction and operation of the Project.

Section 6--Nonassignment of Contract. The Contractor will not assign the Contract effected by an acceptance of this Proposal or any part thereof or enter into any contract with any person, firm or corporation for the performance of the Contractor's obligations thereunder, or any part thereof, without the approval in writing of the Owner.

Section 7--Definitions.

- a. The term "Owner" shall also include an engineer employed by the Owner, or a firm or engineer retained by the Owner, and designated by the Owner to act in that capacity. The Contractor will be notified in writing by the Owner of those designated to act for the Owner at the time of acceptance of this Proposal.
- b. The term "Completion of Construction" shall mean full performance by the Contractor of the Contractor's obligations under the contract and all amendments and revisions thereof relating to any Section of the Project or to the Project except the Contractor's obligations in respect of (i) Certificate of Contractor and Indemnity Agreement - Line Extensions under Article III, Section 2 hereof and (ii) the Final Inventory referred to in Article III, Section 1: hereof.
- c. The term "Completion" shall mean full performance by the Contractor of the Contractor's obligations under the Contract and all amendments and revisions thereof relating to an Section of the Project or to the Project.

Section 8--Extension to Successors and Assigns. Each and all of the covenants and agreements contained in the Contract effected by the acceptance of the Proposal shall extend to and be binding upon the successors and assigns of the parties thereto.

G&S CONTRACTING, INC.

(Contractor)

By JM Gable  
(President)

1708 KY RT 321, SUITE 1A

PRESTONSBURG, KY 41653

(Address)

ATTEST:

Ronald E. Gable  
(Secretary)

Date of Proposal 12-13-02

This Proposal must be signed with the full name of the Contractor. If the Contractor is a partner the Proposal must be signed in the partnership name by a partner. If the Contractor is a corporation the Proposal must be signed in the corporate name by a duly authorized officer and the corporate affixed and attested by the Secretary of the Corporation.

ACCEPTANCE

The undersigned hereby accepts the foregoing Proposal of B & S Contracting, Inc  
\_\_\_\_\_, Dated December 13, 2002, to construct the rural electric  
Project 2003-2004 Line Extensions.

Big Sandy Rural Electric Cooperative Corp  
(Owner)

By John E. Shepherd  
Board Chairman

Joe Hamill  
Secretary

December 20, 2002  
Date of Contract

HOLD HARMLESS AGREEMENT

BES Contracting Inc agrees to defend, indemnify and hold harmless BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION and its directors, officers, agents, and employees from all claims of whatsoever nature or kind, including those brought by employees of BES Contracting Inc, agents, and subcontractors. BES Contracting Inc agrees to defend and pay all costs in defending these claims, including attorney fees.

Further, BES Contracting Inc agrees to maintain public liability and property damage insurance (including automobile public liability and property damage insurance) to cover the obligations set forth above. The minimum insurance limits of liability shall be \$1,000,000 bodily injury and property damage. BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION shall receive a minimum 30 day notice in the event of cancellation of insurance required by the agreement. BES Contracting Inc shall furnish a certificate of insurance to BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION showing that the above obligations and requirements are provided for by a qualified insurance carrier, and showing BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION as an additional insured on such insurance.

BES Contracting Inc.  
Contractor

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

BY:

J. M. [Signature]  
VICE PRESIDENT

BY:

Bruce [Signature]  
PRESIDENT/GENERAL MANAGER

DATE:

12-12-02



## CONTRACTOR'S BOND

1. Know all men that we, \_\_\_\_\_,  
as Principal, and \_\_\_\_\_,  
as Surety, are held and firmly bound unto \_\_\_\_\_  
(hereinafter called the "Owner") and unto the United States of America (hereinafter called the "Gov-  
ernment") and unto all persons, firms, and corporations who or which may furnish or perform labor  
on a Rural Electrification Project known as Project \_\_\_\_\_

and to their successors and assigns, in the penal sum of \_\_\_\_\_  
dollars (\$ \_\_\_\_\_), as hereinafter set forth and for the payment of which sum well and  
truly to be made we bind ourselves, our executors, administrators, successors, and assigns jointly  
and severally by these presents. Said Project is described in a certain construction contract (herein-  
after called the "Construction Contract") between the Owner and the Principal, dated \_\_\_\_\_,  
19\_\_\_\_\_, pursuant and subject to a certain loan contract (hereinafter called the "Loan Contract")  
between the Owner and the Government, acting through the Administrator of the Rural Electrification  
Administration (hereinafter called the "Administrator").

2. The condition of this obligation is such that if the Principal shall well and truly perform and fulfill  
all the undertakings, covenants, terms, conditions, and agreements of the Construction Contract and  
any amendments thereto, whether such amendments are for additions, decreases, or changes in  
materials, their quantity, kind, labor costs, mileage, routing, or any other purpose whatsoever, and  
whether such amendments are made with or without notice to the Surety, and shall fully indemnify  
and save harmless the Owner and the Government from all costs and damages which they, or either  
of them, shall suffer or incur by reason of any failure so to do, and shall fully reimburse and repay  
the Owner and the Government for all outlay and expense which they, or either of them shall incur in  
making good any such failure of performance on the part of the Principal, and shall promptly make  
payment to all persons working on or supplying labor for use in the construction of the Project  
contemplated in the Construction Contract and any amendments thereto, and shall well and truly  
reimburse the Owner and the Government, as their respective interests may appear, for any excess  
in cost of construction of said Project over the cost of such construction as provided in the Construc-  
tion Contract and any amendments thereto, occasioned by any default of the Principal under the Con-  
struction Contract and any amendments thereto, then this obligation shall be null and void, but other-  
wise shall remain in full force and effect.

3. It is expressly agreed that this bond shall be deemed amended automatically and immediately,  
without formal and separate amendment thereto, upon any amendment to the Construction, so as to  
bind the Principal and the Surety to the full and faithful performance of the Construction Contract as  
so amended, provided only that the total amount of all increases in the cost of construction shall  
not exceed twenty (20) percent of the amount of the maximum price set forth in the Construction  
Contract. The term "Amendment," wherever used in this bond, and whether referring to this bond,  
the Construction Contract, or the Loan Contract, shall include any alteration, addition, extension,  
modification, amendment, rescission, waiver, release, or annulment, of any character whatsoever.

4. It is expressly agreed that any amendment which may be made by agreement or otherwise be-  
tween the Principal and the Owner in the terms, provisions, covenants, and conditions of the Con-  
struction Contract, or in the terms, provisions, covenants, and conditions of the Loan Contract  
(including, without limitation, the granting by the Administrator to the Owner of any extension of  
time for the performance of the obligations of the Owner under the Loan Contract or the granting by  
the Administrator or the Owner to the Principal of any extension of time for the performance of the  
obligations of the Principal under the Construction Contract, or the failure or refusal of the Ad-  
ministrator or the Owner to take any action, proceeding, or step to enforce any remedy or exercise  
any right under either the Construction Contract or the Loan Contract, or the taking of any action,  
proceeding, or step by the Administrator or the Owner, acting in good faith upon the belief that the  
same is permitted by the provisions of the Construction Contract or the Loan Contract) shall not in  
any way release the Principal and the Surety, or either of them, or their respective executors, ad-  
ministrators, successors, or assigns, from liability thereunder. The Surety hereby acknowledges  
receipt of notice of any amendment, indulgence, or forbearance, made, granted, or permitted.

5. This bond is made for the benefit of all persons, firms and corporations who or which may furnish or perform any labor for or on account of the construction to be performed under the Construction Contract and any amendments thereto, and they, and each of them, are hereby made obligees hereunder with the same force and effect as if their names were written herein as such, and they and each of them may sue hereon.

In witness whereof, the undersigned have caused this instrument to be executed and their respective corporate seals to be affixed and attested by their duly authorized representatives this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_\_.

Attest:

\_\_\_\_\_  
(Secretary)

Attest:

\_\_\_\_\_  
(Secretary)

\_\_\_\_\_  
(Principal) (SEAL)

By \_\_\_\_\_

\_\_\_\_\_  
(Surety) (SEAL)

By \_\_\_\_\_

\_\_\_\_\_  
(Address of Surety's Home Office)

By \_\_\_\_\_  
(Resident Agent of Surety)

Signatures: The Contractor's Bond must be signed with the full name of the Contractor. If the Contractor is a partnership the Contractor's Bond must be signed in the partnership name by a partner. If the Contractor is a corporation the Contractor's Bond must be signed in the corporate name by a duly authorized officer and the corporate seal affixed and attested by the Secretary of the corporation. A typewritten copy of all such names and signatures shall be appended.

Power of Attorney: The Contractor's Bond must be accompanied by a power of attorney authorizing execution on behalf of the Surety and, in jurisdictions so requiring should be countersigned by a duly authorized resident agent of the Surety.

CERTIFICATE OF CONTRACTOR  
AND INDEMNITY AGREEMENT  
(Line Extensions)

\_\_\_\_\_, certifies that he is the

\_\_\_\_\_, of \_\_\_\_\_  
TITLE OR DESIGNATION \*

\_\_\_\_\_, the Contractor, in a contract dated

\_\_\_\_\_, 19\_\_\_\_ entered into between the Contractor and \_\_\_\_\_

\_\_\_\_\_, the Owner, for the construction of a rural electric

Project (hereinafter referred to as Project), which bears the Project Designation \_\_\_\_\_

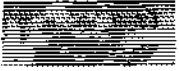
\_\_\_\_\_ 19\_\_\_\_ Line Extensions, and that he is authorized to and does make this Certificate and Indemnity Agreement on behalf of said Contractor in order to induce the Owner to make payment to the Contractor, in accordance with the provisions of the said contract.

Undersigned further says that all persons who have furnished labor in connection with the Section of the Project represented by the Final Inventory dated \_\_\_\_\_, in the amount of \$ \_\_\_\_\_, have been paid in full; that all manufacturers, materialmen and subcontractors which furnished any materials or services, or both, for the said Section of the Project have been paid in full; that no lien has been filed against the Project and no person has any right to claim any lien against the Project.

Undersigned further says that if the Owner pays the Contractor the contract price for the said Section of the Project the Contractor will indemnify and hold harmless and does hereby undertake and agree to indemnify and hold harmless the Owner from any claim or lien arising out of the negligence or other fault of the Contractor in respect of the performance of the contract which may have been or may be filed against the Owner.

\_\_\_\_\_  
SIGNATURE OF CONTRACTOR

\*President, Vice-President, Partner or Owner, or, if signed by other than one of foregoing, Power of Attorney signed by one of the foregoing should be attached. Indicate applicable designation.



# Kentucky Public Service Commission

Electric Utility Personal Injury Accident Report

---

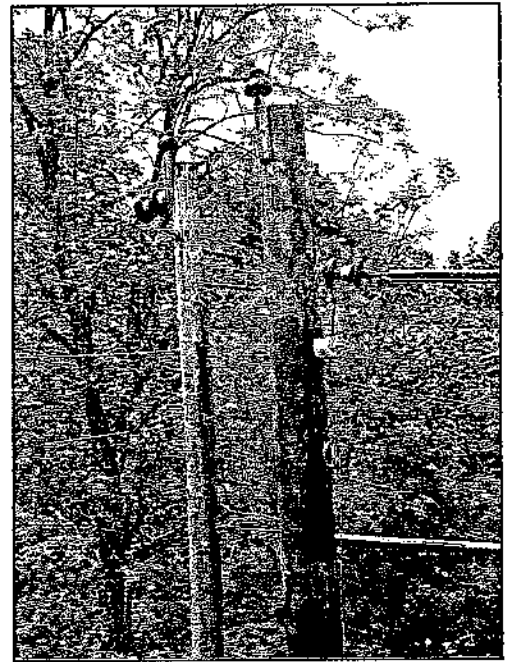
## **Attachment B**

**Photographs of Incident Site**

---



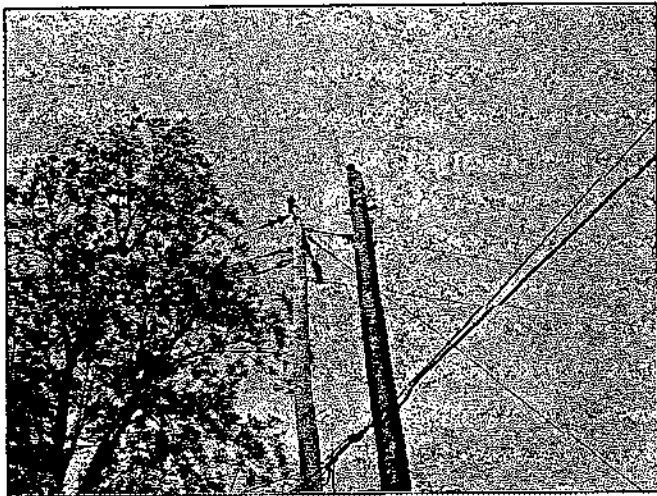
New 45' pole involved in contact incident



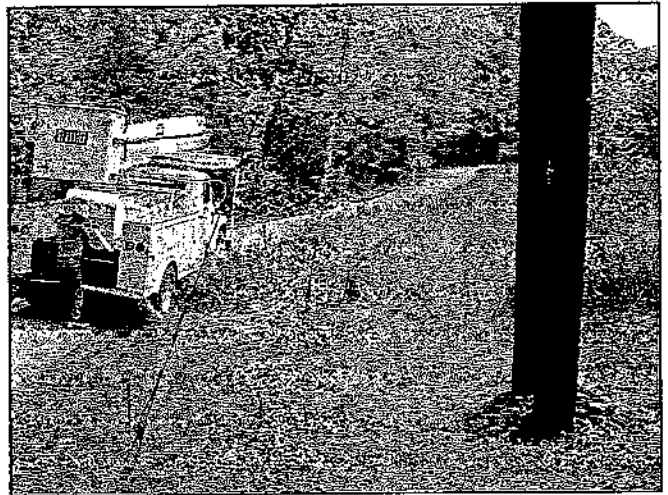
New 45' pole set in line to replace old pole. New pole contacted energized primary line to left of old pole



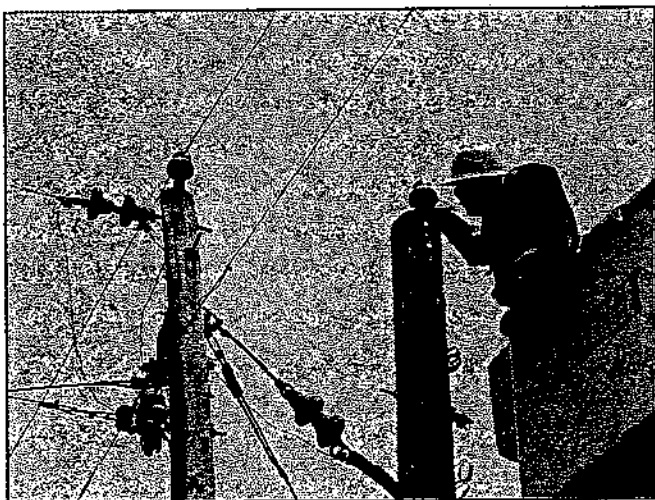
New 45' pole was completely framed before placing in-line (including pole ground)



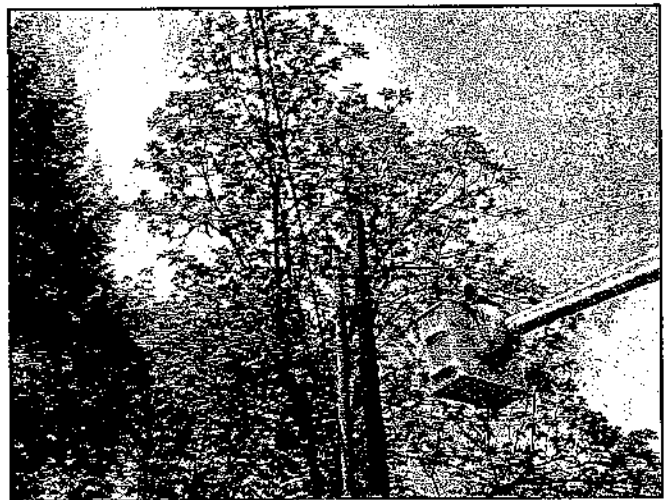
Energized primary circuits & pole were not covered with any protective material



New & old primary pole locations where incident took place



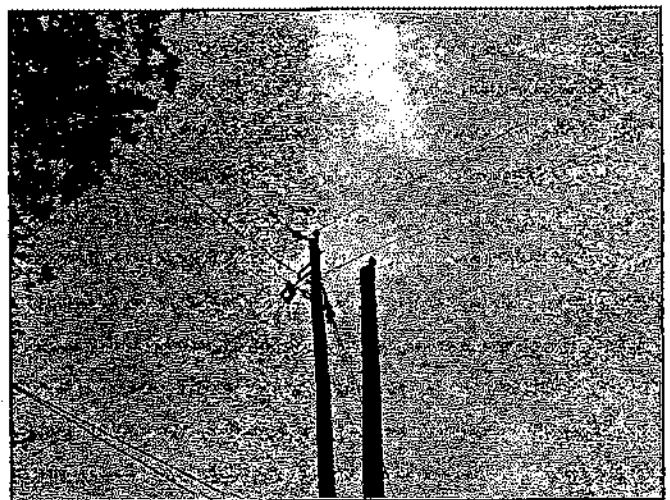
Inspection of new pole to established contact point on pole



New pole location pictured in reference to old pole



New & old pole facilities involved in injury incident



Closeness of new pole being set in line without energized circuits being covered