

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

OWEN ELECTRIC COOPERATIVE, INC.)	
<hr/>)	CASE NO. 2006-00361
)	
ALLEGED FAILURE TO COMPLY)	
WITH KRS 278.042 AND WITH)	
807 KAR 5:006, SECTION 24)	

O R D E R

Owen Electric Cooperative ("Owen Electric") is a Kentucky corporation engaged in the generation, transmission, and distribution of electricity to the public for compensation for lights, heat, power, and other uses and is a utility subject to Commission jurisdiction.¹ Commission Staff submitted to the Commission an Incident Investigation Report ("Incident Report") dated July 17, 2006, attached hereto as Appendix A, which alleges that on June 16, 2006, Rex Stafford, an Owen Electric employee, was replacing a damaged lightning arrestor on a pole at 8344 Pleasant Valley Road in Florence, Kentucky. Mr. Stafford opened the cutout and removed the primary jumper from the transformer, but he was unaware that there was a parallel connected transformer one pole away that was backfeeding energy through the secondary conductors. An electric arc occurred and Mr. Stafford sustained burns to both hands and right arm. He was treated for those injuries at University of Cincinnati Hospital.

¹ KRS 278.010.

KRS 278.042 requires that an electric utility construct and maintain its plant and facilities in accordance with the most recent edition of the National Electrical Safety Code, which is the 2002 Edition ("NESC"). The Staff's Incident Report notes three probable violations of KRS 278.042, which are as follows:

(a) NESC Section 42, Rule 420.C.4, which requires employees who work on or in the vicinity of energized lines to 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.

(b) NESC Section 42, Rule 420.D, which requires employees to consider electric supply equipment and lines to be energized, unless they are positively known to be de-energized, and before starting work, employees are required to perform preliminary inspections or tests to determine existing conditions, and operating voltages of equipment and lines should be known before working on or in the vicinity of energized parts.

(c) NESC Section 42, Rule 422.C.5, which requires employees working on or in the vicinity of equipment or lines exposed to voltages higher than those guarded against by the safety appliances provided to take steps to be assured that the equipment or lines on which the employees are working are free from dangerous leakage or induction or have been effectively grounded.

In addition, KRS 278.280(2) directs the Commission to prescribe rules and regulations for the performance of service by utilities and, pursuant thereto, the Commission promulgated 807 KAR 5:006, Section 24, which requires a utility to adopt and execute a safety program, including the establishment of a safety manual with written guidelines for safe working practices and procedures to be followed by utility employees. The Staff's Incident Report also notes one probable violation of Owen Electric's Safety Manual, which is as follows:

(a) Sections 601(b), which requires at least two employees to be present when the work to be performed includes any of the following: the installation, repair, or removal of de-energized lines if an employee is exposed to contact with other parts energized at more than 600 volts; the installation, repair, or removal of lines energized at more than 600 volts; or the installation, repair, or removal of equipment such as transformers, capacitors, and regulators, if an employee is exposed to contact with parts energized at more than 600 volts.

The Commission, on its own motion, HEREBY ORDERS that:

1. Owen Electric shall submit to the Commission, within 20 days of the date of this Order, a written response to the allegations contained in the Incident Report.
2. Owen Electric shall appear on November 17, 2006 at 9:30 a.m., Eastern Standard Time, in Hearing Room 1 of the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky to present evidence concerning the incident which is the subject of the Incident Report, specifically the three alleged violations of KRS 278.042, which are NESC Rules 420.C.4, 420.D, and 422.C.5, and the one alleged violation of 807 KAR 5:006, Section 24, which is Owen Electric's Safety Manual Sections 601(b), and to show cause, if any it can, why it should not be subject to the penalties of KRS 278.990 for those probable violations.
3. The official record of this proceeding shall be by video, unless otherwise requested by Owen.
4. The Incident Report dated July 17, 2006 is hereby made a part of the record in this case.
5. Any request by Owen Electric for an informal conference with the Commission Staff shall be set forth in writing and filed with the Commission within 20 days of the date of this Order.

Done at Frankfort, Kentucky, this 28th day of September, 2006.

By the Commission

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2006-00361 DATED September 28, 2006

A copy of this document can be obtained by contacting the Kentucky Public Service Commission.