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Gregory Coker
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September 29, 2005

TO: PARTIES OF RECORD
RE: Case No. 2005-00285
Salt River Electric Cooperative

Enclosed please find a memorandum that has been filed in the record of the above-referenced case. Any comments regarding this memorandum's contents should be submitted to the Commission within five days of receipt of this letter. Questions regarding this memorandum should be directed to J.R. Goff at 5021564-3940, Extension 261.

Sincerely,


Beth O'Donnell
Executive Director


vhl
Enclosure

Larry Hicks
President and CEO
Salt River Electric Cooperative
Corp
111 West Brashear Avenue
P O Box609
Bardstown, KY 40004

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: FILE
Case No. 2005-00285

FROM: J. R. Goff, Staff Attorney 

DATE: September 29, 2005

RE: Salt River Electric Cooperative
Violations of Administrative Regulations

On September 27, 2005, an informal conference was held pursuant to the request of Salt River Electric Cooperative ("Salt River") filed with its September 20, 2005 response. Present at that meeting were those persons listed on the attached sign-in sheet.

The Commission issued a show cause Order to Salt River in response to an incident occurring on March 24, 2005, in which Billy Hamilton, a contractor's employee, was injured while reworking a 50-foot pole near Bardstown, Nelson County, Kentucky for Salt River. Mr. Hamilton suffered burns on his right forearm and on the two middle fingers of his left hand. Mr. Hamilton was not wearing rubber gloves or sleeves as required by the National Electrical Safety Code.

After a discussion of the procedure of the meeting; the representatives of Salt River presented their position as to the allegations contained in the show cause Order. Salt River admitted the facts as stated in the Incident Investigation Report filed with the show cause Order.

Salt River emphasized to the Staff the efforts that it uses to select its contractors. While Salt River has safety procedures and programs for its employees, it does not have a formal audit procedure for contractors and their employees. Salt River was of the opinion that since it requires the contractor to comply with all safety and regulatory requirements, it is the responsibility of the contractor to provide for the safety of its crew. It was the position of Salt River that it had done everything it could to provide for a safe work place and that the accident could only be attributable to a lack of employee concentration.

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September 29, 2005

Staff and Salt River discussed any other safety measure that could be taken such as documented safety audits for the contractors and consultation with LG&E about their employees' and contractors' safety training.

Staff and Salt River agreed, as a proposed settlement, that the two alleged violations would be merged and that Salt River would pay a civil penalty of \$2,500. Salt River also stated that it would seek to include in its contract negotiations a penalty provision for violation of safety regulations by the contractor. Salt River further stated it would contact LG&E about their contractors' safety training and audit program. Salt River agreed to formalize its audit procedure and to submit a written plan within 30 days. After all comments have been considered, Staff will prepare a settlement agreement for signature and recommend its acceptance by the Commission. If the settlement is not accepted by the Commission, Salt River and Staff will consider further procedures.

The meeting was adjourned.

Attachment

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

SALT RIVER ELECTRIC COOPERATIVE
CORPORATION

CASE NO. 2005-00285

ALLEGED FAILURE TO COMPLY WITH
KRS 278.042 AND ADMINISTRATIVE
REGULATION 807 KAR 5:006, SECTION 24

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September 27, 2005 Informal Conference

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Please sign in:
NAME

REPRESENTING

Tim Sharp

Salt River Electric

Larry Hicks

Salt River Electric

Regina Beckman

Salt River Electric - ^{Fulton} Hubbard & Hubbard

Jeffrey C Moore

PSC

Jim Welch

PSC

JOHN SHUPP

PSC

STEVE KINGSOLVER

PSC.

ELIE RUSSELL

PSC

Gorge Valladares

psc

JAMES R. GOFF

PSC