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September 17, 2008

Stephanie Stumbo, Executive Director
Public Service Commission
211 Sower Blvd
P.O. Box 615
Frankfort, KY 40602

RECEIVED

SEP 19 2008

PUBLIC SERVICE
COMMISSION

Re: Shelby Energy Cooperative, Inc. –
Alleged Failure to Comply with KRS 278.042
Case No. 2008-00069

Dear Ms. Stumbo:

In accordance with the Joint Stipulation of Facts and Settlement Agreement, filed in this case, enclosed are the following documents relating to the following paragraphs of the Settlement Agreement:

<u>Paragraph No.</u>	<u>Documents Included</u>
10	Co-Op and Contractor Field Inspection Form (safety audit report forms) revised to identify the person who performed the safety inspection by name, title, address and telephone number.
11	Amended Shelby Energy Policy No. 908, Safety and Loss Control Practices and new Operating Procedure No. 5-1, Safety for All. See also Near Miss Reporting Form, Contractor Job Site Tailgate Session Checklist, and Co-Op Crew Job Site Tailgate Session Checklist, all of which are intended to address not only the safety issues that led to the fatal Carroll accident, but also to emphasize the mandate of strict adherence to all safety rules and strengthen procedures to increase the likelihood safety violations will be immediately detected and corrected.
12	Addendum One to RUS Form 790, Policy 908 and Operating Procedure 5-1.
13	Revised Pre-Bid Questionnaire.
14	Revised Pre-Bid Questionnaire.

Paragraph No.

Documents Included

15

Addendum One to RUS Form 790, which includes a specific termination-for-cause provision.

Please contact me if you have any questions.

Yours truly,

MATHIS, RIGGS & PRATHER, P S C.

BY:  _____
Donald T Prather

DTP/mew
Enclosures
Cc: Debbie Martin



Shelby Energy Cooperative

Your Touchstone Energy® Partner



CO-OP CREW FIELD INSPECTION FORM

Inspector: _____

Date: _____

Position: _____

Time: _____

County: _____

Company: _____

Location: _____

Address: _____

Crew Members:

Phone #: _____

Weather Conditions: _____

Job Description: _____

Energized Work Being Performed: YES _____ NO _____ Truck#'s _____

Overhead _____ Underground _____ Voltage _____

Job Briefing	Yes	No	N/A	If No--Corrective Action Taken
Conducted before job & Signed				
Job procedure covered				
Energy control procedure				
PPE used				
Job hazards				
Emergency procedures				
Special precautions				
Work Area Protection	Yes	No	N/A	If No--Corrective Action Taken
Appropriate work signs				
Flagman required				
Flag person used				
Flag person properly equipped				
Traffic cones in place				
Trucks Grounded				
Truck Chocks Used				
Personal Protective Grounds				



Shelby Energy Cooperative

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CONTRACTOR FIELD INSPECTION FORM

Inspector: _____

Date: _____

Position: _____

Time: _____

County: _____

Company: _____

Location: _____

Address: _____

Crew Members:

Phone #: _____

Weather Conditions: _____

Job Description: _____

Energized Work Being Performed: YES _____ NO _____ Truck#'s _____

Overhead _____ Underground _____ Voltage _____

Job Briefing	Yes	No	N/A	If No--Corrective Action Taken
<i>Conducted before job & Signed</i>				
<i>Job procedure covered</i>				
<i>Energy control procedure</i>				
<i>PPE used</i>				
<i>Job hazards</i>				
<i>Emergency procedures</i>				
<i>Special precautions</i>				
Work Area Protection	Yes	No	N/A	If No--Corrective Action Taken
<i>Appropriate work signs</i>				
<i>Flagman required</i>				
<i>Flag person used</i>				
<i>Flag person properly equipped</i>				
<i>Traffic cones in place</i>				
<i>Trucks Grounded</i>				
<i>Truck Chocks Used</i>				
<i>Personal Protective Grounds</i>				

SHELBY ENERGY COOPERATIVE, INC.
Shelbyville, Kentucky

POLICY NO. 908

SAFETY AND LOSS CONTROL PRACTICES

I. OBJECTIVES

- A. To provide for safety and protection for the employees of the Cooperative (hereinafter referred to as Co-Op employees), and employees of independent contractors (hereinafter referred to as IC employees) and to keep them adequately trained and informed on safe working practices, tools and equipment in order to ensure a safe working environment.
- B. To provide a method of Co-Op employee and IC employee compliance with safe work practices and identifies a process of penalties for violations of safe work practices.
- C. To prevent human suffering and financial losses to Co-Op employees, IC employees, and/or the public resulting from injury or property damage accidents.
- D. The extension of this policy to include IC employees shall not be construed to indicate an IC employee is a Co-Op employee or is supervised or controlled by the cooperative.

II. CONTENT

The Board of Directors, recognizing the importance of safe working conditions, has authorized and directed the President and Chief Executive Officer to establish such rules, policies, training, work procedures and maintain such tools and equipment as necessary to implement and enforce safe working practices. In addition to the safe working practices listed in this policy, each Co-Op employee and each IC employee shall also follow all other applicable safety rules, including but not limited to, the National Electric Safety Code, OSHA rules, APPA Safety Manual, and ANSI standards. In the event there is any inconsistency between any safety rule, the stricter rule shall prevail.

Co-Op employees and IC employees must follow all safety and loss control rules while performing construction and maintenance.

Job Briefing /Tailgate Session

A job briefing/tailgate session must be completed prior to any work that entails multiple people being present on a jobsite. A job briefing /tailgate session form has been implemented as a tool for these briefings and must be completed and signed by all persons on the jobsite. It is important that all Co-Op employees and IC employees are present at the time of the briefing and each Co-Op employee and IC employee of the crew fully understands their duties and responsibilities necessary to complete the job safely.

Co-Op employees and IC employees shall ensure that the tasks to be performed are planned and can be completed according to Shelby Energy's safe work procedures.

A Co-op employee or an IC employee working alone need not conduct a job briefing. However, the Co-op employee or IC employee shall ensure that the tasks to be performed are planned as if a briefing were required.

If a job is of the nature that a Co-Op employee or IC employee needs assistance to perform the job safely, the Co-Op employee shall contact the Co-Op operations manager or the IC employee shall contact the appropriate IC supervisor, to explain the job and the request for assistance to ensure personal safety and that of the general public.

At no time shall a Co-Op employee or an IC employee complete a task in a manner that is a violation of the Cooperative's safety rules or policies.

Any Co-Op employee who violates safety rules or policies, or asks another Co-Op employee or IC employee to do something that is a violation of the Co-Op safety rules or policies, shall be subject to disciplinary action up to and including termination of employment.

Any violation of safety rules or policies by an IC employee, or a request by an IC employee that a Co-Op employee or IC employee do something that is a violation of the Co-Op safety rules or policies, may result in the suspension or termination of further services by the IC employee and/or the independent contractor.

Meter Base Inspection

An inspection of the meter base and meter connections shall be conducted each time a service connect, disconnect, or transfer is performed. This inspection needs to verify all connections are made correctly and are tight. The meter base shall be checked to verify there has been no tampering with the wiring installation with special attention to verification that no illegal connections have been made that would present a safety hazard or allow the theft of electricity.

1. Rubber Gloves

All Co-Op employees and IC employees shall wear rubber gloves when:

- A. Working on any structure which is not effectively grounded and the employee is within 5 feet of an energized component, regardless of voltage.
- B. Stringing wire on, around, over or near any energized line, regardless of voltage.
- C. Setting or removing structures that are under or near the energized line.
- D. Rubber gloves shall be (AIR) tested and visually checked daily, prior to wearing.
- E. All used rubber gloves and sleeves shall be laboratory tested according to ASTM standards.

All classifications of rubber gloves will be exchanged every 60 days. All classifications of rubber sleeves will be exchanged every 6 months. Supervisory rubber gloves and occasional use will be exchanged every 6 months.

Each Co-Op employee or IC employee is charged with the responsibility to exchange their rubber gloves and/or sleeves. Whenever there is an indication of a problem with gloves or sleeves, these items will be immediately replaced.

- F. No Co-Op employee or IC employee shall operate or work from an aerial basket within falling or reaching distance (in any event within 5 feet or less) of phase or equipment not effectively grounded unless wearing the appropriate class rubber gloves and sleeves.
- G. When working on multi-phase structures, Co-Op employees or IC employees shall wear the appropriate class rubber sleeves, body belts and gloves.
- H. Rubber gloves shall be stored in approved bags or containers.

In vehicles, rubber gloves and sleeves shall be maintained in the proper environment, free of exposure to light, heat, dirt, sharp objects, etc. and stored in approved bags or containers.

At locations other than vehicles, rubber gloves and sleeves shall be stored in protective manufacturer's container.

2. Dielectric Rubber Boots

- A. Dielectric Rubber Boots are to be worn when setting poles in lines where the conductors are energized. The boots are to be worn when in contact with un-insulated material that could become energized if it came into contact with energized equipment or conductors.
- B. When working on single phase lines where the conductor can be properly covered-up and moved to a distance of at least 5 (five) feet from the position where the new pole is to be installed rubber boots are not required. Gloves are ALWAYS required when setting a pole in the area of energized conductors.

3. Grounds

- A. Proper grounds shall be installed on BOTH sides of the working area of all workmen BEFORE beginning work on any de-energized, tested line, including all primaries and bare secondaries. This should not prevent the use of equal potential (single point) grounding where warranted.
- B. Grounds shall be inspected daily prior to use.

4. Grounding of Trucks and Other Work Equipment

- A. All trucks, including line trucks, aerial basket trucks and trucks handling derricks, and other equipment shall be properly grounded before used in any manner that may result in contact with any line which is not effectively grounded and which may be or may become energized.
- B. Each truck shall be properly grounded when operating near energized conductors, setting poles, installing transformers or other electric equipment or any equipment that might potentially become energized.
- C. Inspection of grounding equipment is required daily before use.
- D. When grounding trucks the FIRST choice of grounding points is the main line neutral to optimize safety for the individuals involved and maintain an acceptable ground for the equipment that is being used. If the main line neutral is not available to be used in a safe manner, then the following choices should be used in the given order: the pole ground of an existing pole or structure, driven ground rod, and as a last resort a screw ground screwed to a depth of no less than five (5) feet.

- E. Each truck must have an approved grounding cable and clamps in the length necessary to reach the appropriate grounding point.
- F. When grounding trucks the ground cables shall **not** be raised or lowered in the basket of an aerial lift, or held by a Co-Op employee or IC employee who is working from an aerial lift. Only approved raising or lowering methods (hand-line or winch-line) shall be used when raising the truck ground to be installed.

5. Cover-up

Energized conductors, insulators and structures will be covered as deemed necessary with approved rubber goods while working on energized structures. All different potentials must be covered to reduce the chance of getting between unlike potentials.

Inspection of cover-up is required daily, prior to use.

6. Poles

All Shelby Energy apprentices shall use the Buck Squeeze to climb poles along with an additional required safety. The Buck Squeeze MUST be used for climbing and positioning on the pole any time the apprentice is at a risk of falling greater than 4 (four) feet. When an apprentice is in a situation where the fall risk is less than 4 (four) feet they may choose to use their regular safety to continue their work on the pole. The apprentice must always be belted to the pole with either the Buck Squeeze or their safety strap. Apprentices are not allowed to “free climb” poles at any time.

Before climbing any pole or structure, each Co-Op employee and each IC employee shall take precautions to insure that it is safe to climb and work upon. Testing with a hammer by hitting the pole at ground level is necessary to test the pole. If the strength of any pole is questioned, it shall be thoroughly tested before being climbed. If the pole is unsafe to climb, it shall be braced or guyed before being climbed.

7. Hold Cards

Hold cards shall be properly filled out and displayed at each switching device for such time as work proceeds and the switch is unmanned. At OCR's and Sectionalizers on the line the hot jumper will be disconnected and grounded out. In substations, the OCR will be tripped out and the disconnect switches will be opened. At all times the Cooperative's Lock Out/Tag Out procedures shall be followed.

8. Special Conditions

Precautions shall be taken to prevent feedback on primary and secondary conductors. (Be alert for home generators or standby generators and other power lines as a source of backfeeding or induction from nearby high voltage lines.) Following all safety rules and procedures along with the utilization of grounds on both sides of the work area should provide proper protection to both Co-Op employees and IC employees if a generator is being used improperly.

9. Seat Belts

Seat belts must be worn AT ALL TIMES by occupants operating or riding in vehicles, including private vehicles, being used for Cooperative related business.

10. Good Housekeeping

- A. Truck beds, compartments, cabs and interior of all vehicles being utilized for Cooperative related business shall be kept neat, clean and in a safe condition by being free from trash, dirt and debris.
- B. Heavy material items should not be stacked so high that placing or removing such items would create a lifting or handling hazard.
- C. Inventory of materials on trucks will be kept at a sufficient level for emergency work.

11. Vehicle Inspections

Visual inspections shall be made on all vehicles and highway traveled equipment used for Cooperative related business once a month and so noted on inspection sheets as to their results.

Any adjustments found necessary should be brought to the attention of the individual assigned to the vehicle in question and (1) as to Cooperative vehicles, to the line supervisor and manager of operations or (2) as to Independent Contractor vehicles, to the attention of the appropriate Independent Contractor Supervisor.

If the vehicle has a problem and a Co-Op employee or IC employee deems the vehicle unsafe or dangerous to use, the vehicle will be tagged out of service until the repairs are made. The decision to tag a Co-Operative vehicle out of service will be reviewed and approved by the Operations Manager and/or the Safety & Loss Control Coordinator, and the appropriate Independent Contractor supervisor as to Independent Contractor vehicles.

12. Care and Operation of Motor Vehicles

All vehicles, including private vehicles, on Cooperative related business must be operated in compliance with all state and local regulations. Posted speed limits must be observed at all times.

When trailers, poles or loads that project beyond the rear of the truck bed are hauled, red flags shall be placed at the extreme end of the load or object trailed. At night, service emergency flashing lights shall be placed at the extreme end of the load or object trailed. All trucks must be equipped with first aid kits, fire extinguishers, flags and/or flares, in accordance with state and local regulations.

13. Highway Markers With Flags

Highway markers with flags will be used at all times when a vehicle used for Cooperative related business is parked in a traffic lane or on a shoulder of any highway, road or street. The markers will be used while stringing wire (service or primary), across any highway, road or street. In addition to markers, a guard with a flag will be on the highway, road or street during wire stringing operations or at any time traffic is halted or obstructed.

14. Reporting Accidents and Injuries

- A. Any accident resulting in serious injury or death to a Co-Op employee, an IC employee or the general public shall be immediately reported to the Safety and Loss Control Coordinator by radio, telephone or in person by the Co-Op employee or IC employee who has full knowledge of the incident.

The contact Co-Op employee at Shelby Energy's office shall log all communication by recording the date, time, location of the accident, name of person contacting the office and any additional information provided. This information shall be, immediately, relayed to the Safety & Loss Control Coordinator.

Should others contact Shelby Energy's office with additional information concerning the accident, the communication shall be logged by recording the date and time along with name, address, and telephone number of the person contacting the office.

Upon completion, all logs shall be submitted to the Safety & Loss Control Coordinator for documentation and investigation purposes.

In the event that field personnel is contacted concerning an accident the same log procedure will apply as outlined above.

All accidents or injuries, regardless of severity, involving a Co-Op employee or an IC employee shall be reported to the Safety and Loss Control Coordinator as promptly as possible. It is also the responsibility of each Co-Op employee and each IC employee to report the accident or injury to his/her supervisor. Kentucky PSC will be notified as required.

Accident forms will be completed and signed by the Safety and Loss Control Coordinator, and any Co-Op employee or IC employee involved.

- B. A safety committee, consisting of representatives from both Co-Op management and Co-Op employees, shall be established and meet periodically. The committee will be chaired by the Safety and Loss Control Coordinator. Included among the committee's responsibilities will be the review of accident reports and the determination as to how said accidents could have been avoided, and what action should be taken to avoid a similar occurrence in the future.
- C. Any time there is a "Near Miss" (an unintended, unplanned, or unexpected event that could have, but did not, result in personnel injury or property damage), it shall be logged and a Near Miss Form completed to allow tracking of these type incidents. This form and tracking of near miss information is for the purpose of ensuring the safety of Co-Op employees, IC employees and the public while preventing similar situations. These forms shall be reviewed during Safety Committee meetings and recommendations provided to Co-Op employees and IC employees as appropriate.

15. Safety and Loss Control Meetings

- A. Shelby Energy Operations Personnel shall attend regularly scheduled Safety and Loss Control Meetings.

- B. Safety and Loss Control Meetings will be held each year that will be suitable for all Co-Op employees. In addition, *Utility Training On-Line* is available to all Co-Op employees to allow additional access to required training.
- C. Co-Op Management and Co-Op supervisory employees, other than operations personnel, shall attend safety meetings when possible.
- D. All Independent Contractors are responsible for making similar training available to IC employees and supervisors.

16. Operation of Aerial Lifts

All Co-Op employees and all IC employees are cautioned that an aerial lift is only to be used as a means of elevating to a safe working position. It is not to be considered as a guaranteed insulation from high voltage conductors. Each Co-Op employee and each IC employee must wear and use approved devices as protection from electrical contact and observe all rules and regulations required for working safely on energized structures and conductors.

A. Only Authorized Persons Shall Operate an Aerial Lift

- (1) Harnesses shall be worn and a lanyard attached to the boom at all times when working from an aerial lift. Each Co-Op employee and each IC employee must inspect his or her harness and lanyard daily, prior to use. Harnesses and lanyards must meet OSHA/ANSI standards. The harness will be worn with all buckles in the closed position. There must be **verbal communication** between Co-Op employees and/or IC employees, as appropriate, that they have “**geared up**” once they have entered the bucket and hooked their lanyard to the attachment point on the boom prior to raising the bucket from the stored position.

All fall-arrest equipment and positioning devices when not in use shall be stored in a dry, and if practical cool, place which is not subjected to direct sunlight or damage from the weather. No equipment shall be stored in the bucket of an aerial device after the end of any work shift.

- (2) The appropriate class rubber gloves and rubber shoulder length sleeves shall be worn when working within falling or reaching distance (in any event within 5 feet or less) of circuits or equipment not effectively grounded.

- (3) Each Co-Op employee and each IC employee shall stand firmly on the floor of the basket and shall not sit or climb on the edge of the basket or use planks, ladders or other equipment for a work position.
- (4) Belting off to an adjacent pole, structure or equipment while working from an aerial lift shall not be permitted.
- (5) Climbers shall not be worn while in an aerial lift basket.
- (6) Only approved tools designed for the purpose shall be used while working from an aerial lift.
- (7) No rope, wire or any other non-insulated material shall be hanging from basket to the ground while working on any structure or conductors which are not effectively grounded and which may be or may become energized.
- (8) Boom and basket load limits specified by manufacturer shall not be exceeded.
- (9) Lift controls shall be tested each day prior to use to determine that such controls are in safe working condition.

B. Positioning or Moving Vehicle Mounted Aerial Lift

- (1) Each aerial lift truck shall be effectively grounded when working near any structure or conductor which is not effectively grounded and which may be or may become energized.
- (2) The brakes shall be set and the outriggers positioned on pads or a solid surface. Wheel chocks shall always be used when the vehicle is parked.
- (3) An aerial lift truck shall never be moved when the boom is elevated, with or without persons in the basket.
- (4) Before moving an aerial lift for travel, the boom shall be inspected to see that it is properly cradled and strapped, outriggers are in a stowed position and grounds removed.

C. Personnel Required for Operation

- (1) Only one Co-Op employee or one IC employee shall be in the basket when work requires only one. Another Co-Op employee or IC employee as appropriate, shall remain on the ground for supervision, flagman or as a safety operator.
- (2) When two Co-Op employees or IC employees are working from the aerial basket, each Co-Op employee and each IC employee shall take every precaution that no part of their bodies are in contact with each other while working on structures or conductors which are not effectively grounded and which may be or may become energized.

D. All aerial lifts will be electrically tested by an approved testing laboratory annually pursuant to K.O.S.H.A. or O.S.H.A.

17. Safety and Loss Control Rules - Underground Distribution

When operating the underground system, all applicable rules for overhead construction shall apply. In addition, the following special rules shall be in effect and considered part of the overall Safety Program:

A. Rubber Gloves

- (1) Rubber gloves shall be worn when operating or working on any installation which is not effectively grounded and which may be or may become energized.
- (2) Rubber gloves shall be worn and approved cover-up materials installed when working on, reaching in, or within falling distance of equipment which is not effectively grounded and which may be or may become energized.
- (3) Rubber gloves shall be worn and hot sticks used when removing and installing elbows, fuses, bypassing operations, and installing or removing grounds.

B. Before Working on De-Energized Equipment or Circuits

- (1) A visible open break shall be made.
- (2) Check for voltage presence by testing with primary voltage testers.

- (3) Grounds shall be installed:

When dual feed is possible, grounds shall be installed on both sides of the work area. This should not prevent the use of equal potential (single point) grounding where warranted.

C. Special Conditions

- (1) Precautions shall be taken to prevent feedback on primary and secondary conductors. (Be alert for home generators or standby generators and other power lines as a source of back feeding or voltage induction.)
- (2) No work shall be done on one phase of a three phase underground circuit until the other two phases are effectively grounded.
- (3) Trucks shall be grounded while being operated near energized equipment or equipment which is not effectively grounded and may become energized.
- (4) No compartment containing energized equipment or equipment that might potentially become energized shall be left unattended, at any time, unless approved locking devices are in place and fastened.

18. Eye and Face Protection

- A. Eye and face protection, where required, must conform to ANSI z87.1-1989 or current standards.
- B. Co-Op employees, IC employees, and visitors are required to wear protective safety glasses when there is a reasonable possibility of injury or they enter the work zone.
- C. Safety glasses shall be worn under the following conditions: drilling, grinding, driving staples or nails, connecting or removing hot line clamps and jumpers, changing fuses or cutouts or other job tasks that may include flying material, debris or the possibility of being in the area of an arc or flash.
- D. Safety glasses shall be worn while working from aerial baskets on conductors which are not effectively grounded and may become energized.

- E. Safety glasses shall be worn while operating the air compressor and drill hammer.
- F. Safety glasses shall be worn while changing or installing meters on an energized service or one that may become energized.
- G. Safety glasses shall be worn when making or tightening connections and using hand tools on energized conductors or conductors which are not effectively grounded and may become energized, regardless of voltage.
- H. Safety glasses shall be worn when changing fuses, connections or bypassing pad mounted transformers.
- I. Safety glasses shall be worn on an energized pole, or one that may become energized, while performing any of the above duties while positioned on the pole.
- J. Each Co-Op employee and each IC employee shall inspect their safety glasses daily, prior to use. Co-Op Supervisors and/or Safety & Loss Control Coordinator, or IC supervisor for IC employees and IC equipment, shall inspect quarterly. Defective glasses shall be immediately removed and replaced.

19. Hearing Protection

- A. Conduct noise level tests to determine protection required.
- B. All effort must be made to reduce the noise level in the work area whenever possible.
- C. Hearing protection must be worn by the operator while using air compressor and drill hammer.
- D. Each Co-Op employee and each IC employee shall wear proper hearing protection whenever blasting or using explosives.
- E. Hearing protection shall comply with OSHA/ANSI standards.
- F. Each Co-Op employee and each IC employee shall inspect their hearing protection equipment daily, prior to use. Co-Op Supervisors and/or Safety & Loss Control Coordinator, or IC supervisor for IC employees and IC equipment, shall inspect quarterly. Defective equipment must be immediately removed and replaced.

- G. Each Co-Op employee and each IC employee and/or visitors are required to wear hearing protection when present under the above conditions.

20. Head Protection

- A. Protective hats shall be in accordance with the provisions of ANSI z89.2-1986 Industrial Protective Helmets for electrical workers, Class B or the most current regulation, and shall be worn at the job site by Co-Op employees, IC employees, and visitors who are exposed to the hazards of falling objects, electric shock or burns.
- B. Each Co-Op employee and each IC employee shall inspect their hard hat shells, bands, suspensions and accessories daily, prior to use. Supervisors and/or the Safety & Loss Control Coordinator as to Co-Op employees, and IC supervisors as to IC employees, shall inspect these items quarterly. Any defective items should be removed and replaced immediately.

21. Personal Tools

- A. Each Co-Op employee and each IC employee shall inspect his/her personal tools daily, prior to use. Co-Op Supervisors and/or Safety & Loss Control Coordinator for Co-Op employees and Co-Op equipment, or IC supervisor for IC employees and IC equipment, shall inspect quarterly. Defective equipment must be immediately removed and replaced.
- B. Each Co-op employee and each IC employee shall inspect daily, prior to use, body belts, safety belts and climbers. Co-Op Supervisors and/or Safety & Loss Control Coordinator for Co-Op employees and Co-Op equipment, or IC supervisor for IC employees and IC equipment, shall inspect quarterly. Any defective item(s) must be immediately removed and replaced.
- C. Body belts, straps, and climbers shall meet the applicable OSHA/ANSI standards.

I. SAFETY AND LOSS CONTROL REPORTING PROCEDURES AND DISCIPLINARY ACTION

Reporting Procedures:

- A. When any Co-Op employee or any IC employee observes a work practice which the Co-Op employee or IC employee believes may be unsafe, the Co-Op employee or IC employee shall immediately take corrective action. Corrective action shall include, but not be limited to, reminding the offending Co-Op employee or IC employee of the safe work practice.

Repeated minor safety violations or single serious violations shall be immediately reported to the Co-Op employee's immediate supervisor, the IC employee's immediate supervisor, and in either situation to the Safety and Loss Control Coordinator.

If the violation concerns the immediate supervisor, the violation is to be reported to the Safety and Loss Control Coordinator.

If the violation concerns the Safety and Loss Control Coordinator, it shall be reported to the President and CEO.

It is the purpose of this rule that each Co-Op employee and each IC employee, regardless of job classification, shall without fear of any adverse consequences whatsoever report all safety violations to the offending individual and to an appropriate supervisor.

Cooperative Disciplinary Procedure:

- B. Violations of and/or disregard for any safe work practice by any Co-Op employee shall result in disciplinary action appropriate to the seriousness or potential seriousness of the offense. Violations shall be recorded and become a part of the Co-Op employee's personnel file. The Co-Op employee's safety record shall be a factor in determining the Co-Op employee's eligibility for promotion, or suitability for continued employment with the Cooperative.
- C. Co-Op Supervisors who knowingly permit any violation of any safe work procedure or receive notification of a safety violation and neglect to take appropriate corrective action shall be subject to the same disciplinary action as prescribed for the specific safety violation.
- D. Violation of certain safety work practices by any Co-Op employee shall carry predetermined disciplinary actions as shown in addendum (2). This policy does not modify the status of Co-Op employees as employees-at-will.
- E. Violations of safety work practices by Co-Op employees are not necessarily limited to the work practices or disciplinary actions shown in addendum (2).
- F. Co-Op Management reserves the right to invoke additional disciplinary action, up to and including immediate dismissal without warning, for violation of safety work practices or at risk behavior by Co-Op employees; as determined by Co-Op management.

Independent Contractor Procedure:

- A. Co-Op Management reserves the right to bar any IC employee and/or terminate any further services by the IC for any violation of any safety work practice or for any at risk behavior by any IC employee.
- B. IC employees and IC supervisors are expected to follow these safety rules, reporting procedures and requirements. Any violation shall be reported to the appropriate IC supervisor and to the Safety and Loss Control Coordinator.

IV. RESPONSIBILITY

- A. The Safety and Loss Control Coordinator shall be responsible for insuring compliance with all safety rules and policies, inspections and replacement procedures for tools and safety equipment.
- B. The President and Chief Executive Officer is responsible for carrying out this policy to the fullest extent.

Adopted: November 20, 1997
Revised: May 27, 1999
November 22, 2002
August 24, 2006
August 27, 2008

SHELBY ENERGY COOPERATIVE
OPERATING PROCEDURE NO. 5-1

SAFETY FOR ALL

Objective: To reiterate that no phase of the Cooperative's operations is of greater importance than accident prevention.

To assist in the elimination or prevention of accidents on the distribution system of Shelby Energy Cooperative.

To communicate the emphasis placed on safety regarding Co-Op employees, Independent Contractor (IC) employees, and others working on the cooperative's system and their responsibility for personal safety, and that of co-workers, others and the general public.

To create an overall awareness of the work environment, jobsite conditions, general public and each other by employees and others representing the Cooperative which will result in a daily work atmosphere of "**SAFETY FOR ALL**".

- Co-Op employees, IC employees, and others working on the distribution system of Shelby Energy Cooperative **SHARE** with the Cooperative the responsibility for safety.
- Safe work practices will be given primary importance in planning, maintaining, and performing all functions in order to protect Co-Op employees, IC employees, the general public and others from harm.
- Co-Op employees, IC employees, and others are expected to follow provided instructions, established safety rules & regulations, and wear or use all personal protection equipment required to safely perform the job at hand.
- Co-Op Crew leaders/supervisors or an IC supervisor, shall be responsible for ensuring, through observation, instruction, and disciplinary action if necessary, that safe work practices are performed by persons under their supervision.
- A Co-Op crew leader/supervisor or an IC supervisor, as appropriate, will conduct a job briefing (tailgate session) and verify Co-Op crew members and IC employees working on that job know and understand the hazards associated with the work and the proper procedures to perform the work safely. The job briefing will be documented by the Co-Op crew leader/supervisor or an IC supervisor, as appropriate, and signed by all individuals prior to each Co-Op employee and/or IC employee beginning work on that job. In the event that a job takes multiple days to complete, there shall be a job briefing performed at the beginning of each day with signed and dated documentation to verify.
- Any Co-Op crew leader/supervisor and any IC supervisor who has reasonable grounds to suspect a Co-Op crew member or IC employee is either mentally or physically unfit for the work assigned shall prohibit such member from working until satisfactory medical or other evidence indicating employee fitness is secured.

- Should a Co-Op crew member be in doubt as to their ability or others ability to perform the work, they shall call this to the attention of the Co-Op crew leader/supervisor or IC supervisor, as appropriate.
- Should the job, task, or instructions not be clearly understood, it is the responsibility of the Co-Op crew member or the IC employee to obtain further information from the respective supervisor before proceeding with the work.
- Co-Op employees, IC employees, and others shall use reasonable caution in the performance of their duties to ensure maximum safety levels are obtained for themselves, their co-workers and the general public
- Verbal communication and sharing of information will be open and continuous between Co-Op employees, IC employees, and others working on the Cooperative system to ensure that when a transition in duties take place fellow co-workers are aware and attentive to each other, the work being performed, and the safety considerations needed for safe work performance.
- Any unsafe practices or safety hazards shall be brought to the attention of the individual(s) involved and shall be reported by the Co-Op employees, IC employees, and others to their immediate supervisor and to the Safety & Loss Control Coordinator of the Cooperative so appropriate attention may be brought to the issue.
- Co-Op employees, IC employees, and others shall report any unsafe equipment, tools, unsafe work practices, and hazardous conditions to their immediate Co-Op crew leader/supervisor, or IC supervisor, as appropriate, and with the Safety & Loss Control Coordinator of the Cooperative. Body belts, straps, and climbers shall meet the applicable OSHA/ANSI standards
- All reports of unsafe practices, faulty equipment, and hazards will be accepted in a positive and constructive manner, and **AT NO TIME** will a worker be reprimanded or penalized for such reports.
- **A violation of this policy or any other policy by any Co-Op employee may result in disciplinary action including, but not limited to, immediate suspension and/or discharge from employment. A violation of this policy or any other policy by any IC employee may result in the immediate dismissal of any IC employee from the work site and/or the termination of any further services by the IC.**

Adopted: July 14, 2008



Shelby Energy Cooperative

Your Touchstone Energy[®] Partner



NEAR MISS REPORTING FORM

Please be aware that no actions shall be taken against any employee from the report of a near-miss incident.

The purpose of reporting this incident is to understand the causes and effects of the incidents and to put procedures in place to prevent future accidents from occurring.

Date Reported: _____

Description of What Happened: _____

Suggestions or Ideas For Preventing Future Occurances: _____

Name (optional): _____



Shelby Energy Cooperative

Your Touchstone Energy® Partner



CONTRACTOR JOB SITE TAILGATE SESSION

CHECKLIST

Date: _____

Crew Members: _____

Company: _____

Wo# _____

Phone# _____

Supervisor/Crew Leader: _____

Job Briefing Signed Previous To Starting Work? _____

Job Briefing Conducted Previous To Start of Work? _____

Job Procedure Discussed? _____ PPE Needed Discussed? _____

Feeds of Line Discussed? _____ Other Hazards Looked At? _____

Special Precautions Discussed? _____

Brief Description of the Planned Work for the Day: _____



Shelby Energy Cooperative

Your Touchstone Energy® Partner



CO-OP CREW JOB SITE TAILGATE SESSION

CHECKLIST

Date: _____ Crew Members: _____

Crew Leader: _____

Work Order # _____

Account # _____

Job Briefing Signed Previous To Starting Work? _____

Job Briefing Conducted Previous To Start of Work? _____

Job Procedure Discussed? _____ PPE Needed Discussed? _____

Feeds of Line Discussed? _____ Other Hazards Looked At? _____

Special Precautions Discussed? _____

Brief Description of the Planned Work for the Day: _____

**Shelby Energy Cooperative
Addendum 1
to RUS Form 790**

ARTICLE IV – PARTICULAR UNDERTAKINGS OF THE BIDDER

Insert following at the end of:

Section 1. Protection to Persons and Property.

The safety rules and procedures of the Owner will include, but are not limited to, Policy No. 908, *Safety and Loss Control Practices* and Operating Procedure 5-1, *Safety for All* and the most current versions of the National Electric Safety Code, OSHA regulations, the APPA Safety Manual and applicable ANSI standards.

ARTICLE V – REMEDIES

Add:

Section 3. Termination for Cause. If Bidder or any subcontractor fails to comply with any of the terms of this Proposal, including but not limited to violation of any safety rule, practice or law, the Owner may terminate this Proposal and the services of Bidder under this Proposal.



CONTRACTORS SAFETY PROGRAM REVIEW AND RESULTS

SAFETY PROGRAM REVIEW	
1. Do you have a written Safety Program? (if so, must submit)	Yes <input type="checkbox"/> (5); No <input type="checkbox"/>
2. Do you conduct site safety inspections at least monthly?	Yes <input type="checkbox"/> (2); No <input type="checkbox"/>
3. Do you train your workers in safety meetings at least monthly?	Yes <input type="checkbox"/> (2); No <input type="checkbox"/>
4. Do you maintain current MSDS's for all chemicals requiring such and provide hazard communication training for workers who may contact said chemicals?	Yes <input type="checkbox"/> (1); No <input type="checkbox"/>
5. Do you require foremen to hold "tailgate" sessions daily and at each new job site, to assist in accident investigations and to conduct daily safety inspections of work sites?	Yes <input type="checkbox"/> (5); No <input type="checkbox"/>
6. Do you inform and train newly hired, or promoted, foremen about their responsibility for their and their employee's safety?	Yes <input type="checkbox"/> (1); No <input type="checkbox"/>
7. Do you have a knowledgeable, responsible person designated to coordinate safety management within your company? Please expound upon this question by supplying detailed comments.	Yes <input type="checkbox"/> (5); No <input type="checkbox"/>
8. Do you have an orientation for all new hires? If yes, does it include instruction on the following? <ul style="list-style-type: none"> • Personal protective equipment (PPE)? • Fall protection? • Safe ladder use? • Fire protection? • First Aid & CPR? • MSDS? • Emergency procedures? • Lockout / Tagout (LOTO) procedures? • Rigging and rope safety? • Energized equipment approach distances? 	Yes <input type="checkbox"/> (1); No <input type="checkbox"/> Yes <input type="checkbox"/> (1); No <input type="checkbox"/> Yes <input type="checkbox"/> (1); No <input type="checkbox"/> Yes <input type="checkbox"/> (1); No <input type="checkbox"/> Yes <input type="checkbox"/> (1); No <input type="checkbox"/> Yes <input type="checkbox"/> (1); No <input type="checkbox"/> Yes <input type="checkbox"/> (1); No <input type="checkbox"/> Yes <input type="checkbox"/> (1); No <input type="checkbox"/> Yes <input type="checkbox"/> (1); No <input type="checkbox"/> Yes <input type="checkbox"/> (1); No <input type="checkbox"/>
9. Do your foremen and superintendents have any advanced or additional safety training? (If yes, list in comment section)	Yes <input type="checkbox"/> (1); No <input type="checkbox"/>
10. Do you always discuss accident and safety concerns at daily or weekly management / production meetings?	Yes <input type="checkbox"/> (1); No <input type="checkbox"/>
11. Do you have an internal system that measures each foreman and holds him accountable for his crew's safety performance?	Yes <input type="checkbox"/> (5); No <input type="checkbox"/>
12. Has your company's safety record been free of critical injury accidents for the last full calendar year and this year to date" (critical: fatal, dismemberment or permanent total disability)	Yes <input type="checkbox"/> (5); No <input type="checkbox"/>



PRE-BID QUESTIONNAIRE

(RESPONSES ARE CONFIDENTIAL)

<p>13. Are accident records and accident summaries kept at least yearly?</p> <ul style="list-style-type: none"> • By entire company? • By project? • By superintendent? • By foreman? 	<p>Yes <input type="checkbox"/> (1); No <input type="checkbox"/></p> <p>Yes <input type="checkbox"/> (1); No <input type="checkbox"/></p> <p>Yes <input type="checkbox"/> (1); No <input type="checkbox"/></p> <p>Yes <input type="checkbox"/> (1); No <input type="checkbox"/></p>
<p>14. Are accident records and accident summaries sent at least yearly to the following?</p> <ul style="list-style-type: none"> • Superintendent? • Vice-President? • President? 	<p>Yes <input type="checkbox"/> (1); No <input type="checkbox"/></p> <p>Yes <input type="checkbox"/> (1); No <input type="checkbox"/></p> <p>Yes <input type="checkbox"/> (1); No <input type="checkbox"/></p>
<p>Total of "Program" Points: (Award the number of points indicated beside the "YES <input type="checkbox"/></p>	

SAFETY RESULTS			
Worker's Compensation Experience Modification Rate (EMR):			
_____	_____	_____	_____
2005	2006	2007	3-Year Avg.
Award 5 points for 3-Year Avg. > 1.2	Award 10 points for 3-Yr Avg. = 1.2-0.9	Award 15 points for 3-Yr Avg. < 0.89	_____
2-Year improving rate (2007 < 2006)		ADD 5 points	_____
2-Year worsening rate (2007 > 2006)		SUBTRACT 5 points	_____
Total of "Results" Points:			_____

OVERALL SAFETY RATING	
Total points from "SAFETY PROGRAM REVIEW" and "SAFETY RESULTS"	_____
RATING: 0 - 49 = Poor; 50 - 59 = Average; 60 - 70 = Good	_____

List key personnel planned for this project that will be responsible and accountable for safety at this Co-Op:

_____ ; _____ ; _____

_____ ; _____ ; _____



PRE-BID QUESTIONNAIRE

(RESPONSES ARE CONFIDENTIAL)

Please use your OSHA 200 Log to fill in the appropriate data below as it relates to employee injuries and illnesses for the three most recent years for the operating district which serves Kentucky:

Table with 3 columns: 2005, 2006, 2007. Rows include: Total number of lost workday cases, Total number of cases with medical attention only, Total number of lost and/or restricted workdays, Total number of fatalities, Total hours worked.

How many years has your firm been in business under your present name?

Who is your liability insurance carrier?

Address:

Agent:

Telephone:

List (3) Co-Ops that your company is presently working for along with specific contacts:

Co-Op: Contact:

Co-Op: Contact:

Co-Op: Contact:

Are you presently, or in the preceding 24 months, been in legal proceedings with any electric utility in the Commonwealth of Kentucky? If so, please explain in the comment section on page 4 of this document.

Your company Name:

Address:

Does this company have an interest in receiving an upcoming RFQ? Yes [] No []

This company hereby represents and warrants that all statements set forth herein are true and correct.

Signature: Date:

Name of contact person for upcoming RFQ:

Telephone Number: Fax:

E-Mail:



PRE-BID QUESTIONNAIRE

(RESPONSES ARE CONFIDENTIAL)

Comments:

#1.	
#2.	
#3.	
#4.	
#5.	