COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:	
JACKSON PURCHASE ENERGY CORPORATION	
ALLEGED FAILURE TO COMPLY	

WITH KRS 278.042

CASE NO. 2012-00240

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PUBLIC SERVICE COMMISSION

JACKSON PURCHASE ENERGY CORPORATION'S RESPONSE TO SHOW CAUSE ORDER

On June 25, 2012, the Kentucky Public Service Commission (hereinafter the "Commission") issued an Order directing Jackson Purchase Energy Corporation (hereinafter "JPEC") to file a written response to the allegations contained in the Incident Investigation Report prepared by Commission Staff. For its response to the Commission's Order, JPEC hereby states as follows:

FIRST DEFENSE

JPEC hereby denies any and all alleged violations of the National Electrical Safety Code (hereinafter the "NESC") as contained in the Commission's June 25, 2012 Order, and generally denies any violation of KRS 278.042 and any other statutory and NESC provisions.

SECOND DEFENSE

JPEC maintains this incident was caused by an unforeseeable hazard that JPEC could not have reasonably been expected to identify prior to this incident.

THIRD DEFENSE

Jackson Purchase Energy ("JPEC") contends there was no violation of 1961 NESC Section 23, Rule 234.C.4 prior to the installation of "cap flashing" by Mr. Scott Gordon as a part of the installation of the new metal roof at 4946 Reidland Road, Paducah, Kentucky.

JPEC's Seven Day Incident Report, dated February 15, 2012, Attachment B -Measurements, page 1 of 1 indicates a horizontal distance of 2'- 10.5", this distance was to the end of the new flashing as installed by Mr. Gordon on or about the same time of the incident in question. The extension of the new flashing beyond the edge of the building is clearly shown in JPEC's Attachments D, page 4 of 18 and G, page 2 of 3. The extension of the new flashing beyond the building is also shown in PSC Accident Investigation - Staff Report, dated April 4, 2012, Attachment C - KPSC Photographs of Accident, photos #1, #2, #3, #4, #5, #7 and #12.

JPEC estimates the extension of the newly installed flashing to a minimum of four (4) inches or more beyond the edge of the building. All measurements as recorded by JPEC were referenced to the end of the new flashing as installed by Mr. Gordon. If an additional four (4) inches of clearance were applied to the distance as reported on JPEC Attachment B, the conductor would be outside the clearance envelope and therefore JPEC's conductor was well within the clearance established by the code as defined in 1961 NESC Section 23, Rule 234.C.4. With the four (4) inches additional clearance the actual clearance would be 3' - 2.5", with a minimum requirement of 3' - 0".

JPEC further states, that neither Mr. Gordon nor the owner of the building notified JPEC of the work activities planned. In addition, Mr. Gordon did not notify JPEC relative to the alleged accident of February 7, 2012.

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FOURTH DEFENSE

JPEC is dedicated to the safety of its employees and to all members of the public. Therefore, as required by 807 KAR 5:006, Section 25 (4), JPEC has adopted a policy regarding inspection of its system, which policy is on file with the Commission. In the most recent twoyear inspection of this area, which is also included as Attachment E, Page 1 of 1 in JPEC's initial report to the Commission, JPEC observed no irregularities or code violations at this location.

FIFTH DEFENSE

JPEC hereby reserves the right to assert additional affirmative defenses which may be applicable and, by virtue of its assertions contained herein, does not intend to waive any additional defenses of which it may become aware.

NOW, THEREFORE, JPEC requests that this case be dismissed or, in the alternative, that the hearing date for October 23, 2012, be suspended and that an informal conference be scheduled with the Commission Staff for the purpose of discussing the expedited resolution of this matter.

Respectfully submitted,

DENTON & KEULER P. O. BOX 929 PADUCAH KY 42002-0929 Telephone: (270) 443-8253 Facsimile: (270) 442-6000 By: Melisša D. Yates

I hereby certify that the foregoing has been served via facsimile at 502-564-3460 and Federal Express:

MR JEFF DEROUEN KENTUCKY PUBLIC SERVICE COMMISSION 211 SOWER BLVD. FRANKFORT KY 40602

on this 16th day of July, 2012 By: Melissa D. Yates 149843