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Commonwealth of Kentucky  
**Public Service Commission**  
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David L. Armstrong  
Chairman

James W. Gardner  
Vice Chairman

Linda Breathitt  
Commissioner

August 6, 2013

James Crawford  
Crawford & Baxter, P.S.C.  
523 Highland Avenue  
P.O. Box 353  
Carrollton, KY 41008

Re: Case No. 2013-00230

Dear Mr. Crawford:

Attached is a copy of a memorandum which is being filed in the record of the above-referenced case. If you have any comments you would like to make regarding the contents of the memorandum concerning the August 2, 2013 Informal Conference, please do so within five days of receipt of this letter. If you have any questions, please contact Jonathan Beyer or Aaron Ann Cole, Staff Attorneys, at 502/564-3940.

Sincerely,

  
Jeff Derouen  
Executive Director

Attachments

**INTRA-AGENCY MEMORANDUM**  
**KENTUCKY PUBLIC SERVICE COMMISSION**

**TO:** Case File – Case No. 2013-00230

**FROM:** Jonathan Beyer, Staff Attorney

**DATE:** August 6, 2013

**RE:** Informal Conference of August 2, 2013

On August 2, 2013, pursuant to Commission Staff's Notice dated July 24, 2013, an informal conference was held in this matter to discuss and address the issues presented in this case. A list of attendees is attached to this memorandum.

Beginning the conference, James Crawford, counsel for Owen Electric Cooperative, Inc. ("Owen"), provided a detailed explanation of the circumstances that resulted in the September 6, 2012 incident. He stated that prior to the incident pertaining to this case, a digger truck driven by Mr. James Juett, also the victim in the underlying matter, overturned in the course of maneuvering to the work site, due to the wet weather on September 6, 2012. Following the truck overturning, Mr. Juett was taken to the hospital and was subsequently released the same day. Shortly thereafter Mr. Juett entered the worksite, without announcing his presence and unbeknownst to the crew supervisor, Danny Clemons. Upon entry, Mr. Juett ultimately made contact with the energized and grounded vehicle, causing minor injury to himself. Mr. Crawford affirmed Owen's belief that having an unauthorized employee enter the worksite was a primary issue in causing the incident. He further asserted that the use of a less frequently utilized track machine contributed to the incident. He stated that Owen has subsequently held six safety meetings to address the incident.<sup>1</sup> Upon a recommendation from Owen's management team, the Owen Board of Directors also issued a Request for Proposals to retain a consulting firm to conduct a comprehensive assessment of Owen's safety procedures and risk mitigation processes. Caterpillar Safety Services was ultimately chosen to conduct the study.

Mark Stallons, Owen's President and CEO, detailed the scope and procedures of the Caterpillar Safety Services program. Mr. Stallons further presented revisions to Owen's safety policies and manual that Owen has or will implement. Specifically, he stated that the safety manual will be revised to reflect current policies pertaining to grounding methods. He also indicated Owen is exploring methods of barricading worksites to shield against similar future incidents. In response to inquiries by Commission Staff, Owen personnel confirmed that unscheduled work crew safety audits are performed on a monthly basis. Mr. Stallons lastly asserted that Owen is examining whether to increase reporting procedures for near miss incidents.

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<sup>1</sup> A list of attendees at the safety meetings is attached as Exhibit A.

Commission Staff inquired whether Owen was interested in attempting to settle the matter, to which Mr. Crawford answered in the affirmative. Staff informed Owen that additional information and documentation was necessary prior to conducting formal settlement negotiations. Staff requested Owen provide an itemized and finalized list of modifications to safety, supervisory, and policy changes. Such information was requested to include revisions to Owen's safety manual, as well as other general safety measures that have been or will be implemented. Staff requested Owen provide the results of the Caterpillar report and the changes adopted as a result of the study. Staff indicated that a detailed statement of the costs incurred by virtue of all the remedial measures and policies should also be provided. Finally, Staff informed Owen representatives that the remedial measures are but one component of the case and discussions pertaining to a monetary penalty will be addressed at a future informal conference. Staff noted that the fourteen alleged violations carry a maximum potential penalty of \$35,000.

At the request of Mr. Crawford, Staff agreed to recommend the Commission postpone the hearing presently scheduled for September 12, 2013. The parties agreed Owen would provide the requested information no later than November 1, 2013. Thereafter, an informal conference will be scheduled to continue discussions that may lead to a possible conclusion and settlement of the matter.

Finding that no party had any further questions, the conference was adjourned.

## Attachment A



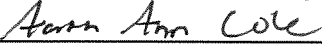
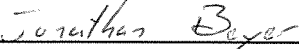
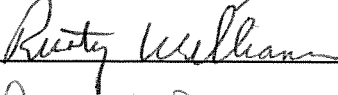
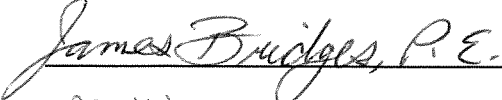

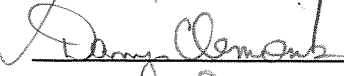
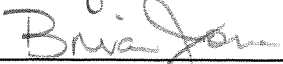
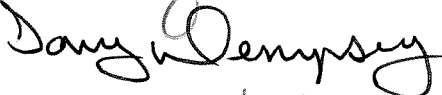
COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

OWEN ELECTRIC COOPERATIVE )  
COOPERATION, INC. ALLEGED FAILURE TO ) CASE NO.  
COMPLY WITH KRS 278.042 ) 2013-00230

August 2, 2013

Please sign in:

NAME	REPRESENTING
 STEVE KINGSOLVER	PSC
 Thanh D. Nguyen	PSC
 Aaron Ann Cole	PSC
 Jonathan Beyer	PSC
 Rusty Williams	OEC
Ann WOOD	OEC
 James Bridges, P.E.	OEC
Matthew Baei	PSC
Kyle Willard	PSC
JAMES RICE	PSC
 Jim Gray	OEC
 Dany Dempsy	OEC
 Brian Jones	OEC
 Dany Dempsy	OEC
Mark Stallons	OEC

## Exhibit A

SAFETY MEETING MINUTES

PRESENTER: Tony D

TOPIC: Electric Contact

LOCATION: Walter Service Center

DATE: 9/26/12

TIME: 8:30 Am

EMPLOYEES

PRESENT: Alan B, Brian C, Andy M., Bobby V., Simon P., Donny C.,  
James J., Charlie C, Chris D.

WHAT WAS DISCUSSED IN SAFETY

MEETING: Rollover, Prnt, Positioning of Equip, Contact Point, outriggers, Digger  
Wheels, Tony Hale, Pole guard, Fiber Cable Weight Extended,  
OEC Safety Manual - 621 Derrick Trucks, Cranes, etc., Fiberglass boom  
should be extended all the way on derrick boom + winch line  
removed. Q + A

## SAFETY MEETING MINUTES

PRESENTER: T. Dempsey D. White

TOPIC: Accident Discussion

LOCATION: Keith Lane

DATE: 10-16-12

TIME: 2:15

### EMPLOYEES

PRESENT: J. Lilly J. Wright S. Morre

### WHAT WAS DISCUSSED IN SAFETY MEETING:

Electric Contact on 9/6/2012

- Prior to contact truck rolled over.

- Contact occurred approximately 20 mins after

Tony left job site.



## SAFETY MEETING MINUTES

PRESENTER: Tony Dempsey

TOPIC: Electric Contact (Accident Review)

LOCATION: Boone County

DATE: Oct 22, 2012

TIME: 1:50pm

### EMPLOYEES

PRESENT: Joe (chew) Scottusbar e Brad Forsee

Ran Telkule Chris Back

WHAT WAS DISCUSSED IN SAFETY MEETING: (Accident Review) <sup>(Prior to Contact)</sup> Talking about truck being Flipped.

Showing contact work order. Positioning of Equipment.

Contact points. Digger outrigger. Tamp hose. Rear Diggerwheel.

Contact victim's location. Screw ground. Pole guards. Line Hoses.

Fiberglass wasn't Extended. Set so close this was the only extension made.

Oec Safety Manual @ (derrick truck + grounding). Errors of Omission.

Properly Applied Safety Procedures Saved a life.

\_\_\_\_\_  
\_\_\_\_\_  
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## SAFETY MEETING MINUTES

PRESENTER: Tony Dempsey

TOPIC: Accident Review

LOCATION: Arthur SC

DATE: 11-6-12

TIME: 8:00 Am

### EMPLOYEES

PRESENT: Larry Richardson, Kenny Berkmeier, Chris McKinley  
Joe Schmieke, Brian Noel, Tony Bach

### WHAT WAS DISCUSSED IN SAFETY MEETING:

Digger Truck rolled on its side, Positioning of  
the equipment, Contact Points, Victim's location, Screw Ground,  
OCR was in Single Shot, Fiberglass wasn't extended, Fiberglass must  
be Fully extended & winch line needs removed. A few things done  
wrong, a lot of things done right!

## SAFETY MEETING MINUTES

PRESENTER: Tony Dempsey

TOPIC: Electric Contact Incident

LOCATION: Independence, KY

DATE: 11/6/12

TIME: 11:00 AM

EMPLOYEES

PRESENT: Nate Pickett Bruce Taylor

WHAT WAS DISCUSSED IN SAFETY MEETING:

Contact was caused a not extending fiberglass part of the boom. Also the lineman was contacting the line truck when ~~it~~ it became energized. As long as we run the fiberglass boom out, insulate the line and ~~use~~ <sup>wear</sup> our ppe no accident can occur.

## SAFETY MEETING MINUTES

PRESENTER: Tony Dempsey

TOPIC: Accident Review "Contact"

LOCATION: Southfork Rd. Owen Co.

DATE: 11-5-12

TIME: 1:15 pm

EMPLOYEES  
PRESENT: Ced Bask, Scott Howard, Aaron Alexander

### WHAT WAS DISCUSSED IN SAFETY

MEETING: Truck flipped early morning by James Jett.  
Nobody hurt. On job site position of trucks. Where  
contact was made with powerline & everywhere the  
current went to ground. Need to have 3<sup>rd</sup> stage out on  
track digger when doing hot work before extending 2<sup>nd</sup> stage.



