

Steven L. Beshear  
Governor

Leonard K. Peters  
Secretary  
Energy and Environment Cabinet



Commonwealth of Kentucky  
**Public Service Commission**  
211 Sower Blvd.  
P.O. Box 615  
Frankfort, Kentucky 40602-0615  
Telephone: (502) 564-3940  
Fax: (502) 564-3460  
psc.ky.gov

David L. Armstrong  
Chairman

James W. Gardner  
Vice Chairman

Linda Breathitt  
Commissioner

November 22, 2013

**PARTIES OF RECORD**

Re: Case No. 2013-00230

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 November 20, 2013 Informal Conference, please do so within five days of receipt of this letter. If you have any questions, please contact Jonathan Beyer, Staff Attorney, at 502/782-2581.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Derouen".

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:** November 22, 2013  
**RE:** Informal Conference of November 20, 2013

Pursuant to a Commission Staff notice, an informal conference was held in this matter on November 20, 2013 at the Commission's office in Frankfort, Kentucky. A list of attendees is attached to this memorandum.

Beginning the conference, upon Staff's request for additional information, Mark Stallons, CEO for Owen Electric Cooperative, Inc, ("Owen"), explained that Owen has instituted a continuous improvement team composed of various levels of employees to focus on safety management processes. The team will operate on an ongoing basis without a predefined end date. Areas of safety to be addressed will be determined by the team, with an expectation that one topic will be covered each quarter. Owen has contracted with National Consulting Group to initially consult with its continuous improvement team. A safety steering team comprised of executives and line employees has also been created.

Owen has not tracked the internal costs it has incurred as a result of the safety and policy changes including employee wages spent in the course of instituting remediation measures such as attending meetings, completing the Caterpillar Safety Survey and the continuous improvement team. In addition to the expenses itemized consequent to the Caterpillar survey, Owen indicated that the fee for the National Consulting Group would be approximately \$15,000. Owen will also consider conducting a follow-up survey to assess its progress on safety and perception issues in three to five years.

Owen personnel explained Owen's remedial measures regarding revised procedures and methods for barricading work sites in public areas and provided an update as to the status of the anticipated purchase of a new track machine equipped with a fixed four foot fiberglass boom section. The \$225,000 cost of the new track machine will be partially offset by the sale of the existing track machine.

In addition to the remedial measures proposed to be undertaken by Owen, it also agreed to pay a \$10,000 penalty as full settlement of this case. Accordingly, an agreement in principle was reached between Owen and Staff to enter into a stipulation of facts and settlement in an effort to resolve all issues in this case.

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

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

November 20, 2013

Please sign in:

NAME	REPRESENTING
<u>Jonathan Bayer</u>	<u>PSC</u>
<u>Rusty Wallian</u>	<u>OEC</u>
<u>Darby O'Dempsey</u>	<u>OEC</u>
<u>Brian Jones</u>	<u>OEC</u>
<u>Ann WOOD</u>	<u>OEC</u>
<u><del>_____</del></u>	<u>OEC</u>
<u>Jim Grant</u>	<u>OEC</u>
<u>Matthew Baer</u>	<u>PSC</u>
<u>Clay D. King</u>	<u>PSC</u>
<u>STEVE KING SOLVER</u>	<u>PSC</u>
<u>Eric Bowman</u>	<u>PSC</u>
_____	_____
_____	_____
_____	_____