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PUBLIC SERVICE COMMISSION

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

)

In the Matter of: JACKSON PURCHASE ENERGY CORPORATION

CASE NO. 2014-00437

ALLEGED FAILURE TO COMPLY WITH KRS 278.042

JACKSON PURCHASE ENERGY CORPORATION'S RESPONSE TO SHOW CAUSE ORDER DATED JANUARY 6, 2015

On January 6, 2015, 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 January 6, 2015 Order, and generally denies any violation of KRS 278.042 and any other statutory and NESC provisions.

SECOND DEFENSE

Citation #1: NESC, Part 4, Section 42, Rule 420.C.4: Employees who work on or in the vicinity of energized lines shall consider all of the effects of their actions, taking into account their own safety as well as the safety of other employees on the job site, or on some other part of the affected electric system, the property of others, and the public in general.

Response:

JPEC states that Mr. Frazier acted as an individual without regard to his personal safety in this incident. Mr. Frazier had adequate training and experience to recognize the hazards of the job site and position he was working in at the time of this incident. Proper insulating tools and personal protective equipment had been provided, were available at the job site, and, if used properly, could have prevented the entire incident. JPEC did nothing to contribute to Mr. Frazier's actions in this incident. In fact, Mr. Frazier's supervisor, Chad Culp, instructed him to utilize the proper equipment immediately preceding this incident. However, Mr. Frazier disregarded said instructions and did not use the protective tools and devices provided.

Witness: Scott Ribble.

Citation #2: NESC, Part 4, Section 42, Rule 421.A.1: Work Rules for the Operation of Electric Supply and Communication Lines and Equipment – Duties of a first-line Supervisor or Person in Charge. This person shall adopt such precautions as are within the individual's authority to prevent accidents.

Response:

In this instance, JPEC vetted and hired a contractor with an excellent safety record. As such, JPEC was not in charge of the job site as the individuals performing the work were not JPEC employees. However, immediately prior to this incident Mr. Frazier's supervisor, Chad Culp, instructed Mr. Frazier to utilize the appropriate personal protective equipment, an instruction which Mr. Frazier then ignored in complete disregard for his personal safety.

Witness: Scott Ribble.

Citation #3: NESC, Part 4, Section 42, Rule 421.A.2: Duties of a first-line Supervisor or person in charge. This person shall see that all safety rules and operating procedures are observed by employees under the direction of this individual.

Response:

In this instance, JPEC vetted and hired a contractor with an excellent safety

record. As such, JPEC was not in charge of the job site as the individuals performing the

work were not JPEC employees. However, immediately prior to this incident Mr.

Frazier's supervisor, Chad Culp, had instructed Mr. Frazier to utilize the appropriate

personal protective equipment, an instruction which Mr. Frazier then ignored in complete

disregard for his personal safety.

Witness: Scott Ribble.

Citation #4: NESC, Part 4, Section 42, Rule 420.H: Employees shall use the personal protective equipment, the protective devices, and the special tools provided for their work. Before starting work, these devices and tools shall be carefully inspected to make sure they are in good condition.

Response:

It is undisputed that Mr. Frazier did not utilize the equipment provided to him. However, once again JPEC states that Mr. Frazier acted as an individual without regard to his personal safety in this incident. Mr. Frazier had adequate training and experience to recognize the hazards of the job site and position he was working in at the time of this incident. Proper insulating tools and personal protective equipment had been provided, were available at the job site, and, if used properly, could have prevented the entire incident. JPEC did nothing to contribute to Mr. Frazier's actions in this incident. In fact, Mr. Frazier's supervisor, Chad Culp, instructed him to utilize the proper equipment immediately preceding this incident. However, Mr. Frazier disobeyed those instructions and did not use the protective tools and devices provided in complete disregard for his

own safety.

Witness: Scott Ribble.

Citation #5: NESC, Part 4, Section 44, Rule 44.1.A.1 a/b: Employees shall not approach distance listed in Table 441-1 or Table 441-1 or distances as determined by an engineering analysis to exposed parts unless one of the following is met: a. The line or part is de-energized and grounded per Rule 444D; b. The employee is insulated from the energized line or part. Electrical protective equipment insulated for the voltage involved, such as tools, rubber gloves, or rubber gloves with sleeves, shall be considered effective insulation for employee from energized line or part being worked on.

Response:

Once again JPEC states that Mr. Frazier acted as an individual without regard to his personal safety in this incident. Mr. Frazier had adequate training and experience to recognize the hazards of the job site and position he was working at the time of this incident. Proper insulating tools and personal protective equipment had been provided, were available at the job site, and, if used properly, could have prevented the entire incident. JPEC did nothing to contribute to Mr. Frazier's actions in this incident. In fact, Mr. Frazier's supervisor, Chad Culp, instructed him to utilize the proper equipment immediately preceding this incident. However, Mr. Frazier disobeyed those instructions and did not use the protective tools and devices provided in complete disregard of his own personal safety.

Witness: Scott Ribble.

Citation # 6: NESC, Part 4, Section 44, Rule 44.A.1. a/b: When working on energized lines and equipment, one of the following safeguards shall be applied: a. Insulate employees from energized parts; b. Isolate or insulate the employee from ground and grounded structures, and potentials other than the one being worked on.

Response:

Once again JPEC states that Mr. Frazier acted as an individual without regard to his personal safety in this incident. Mr. Frazier had adequate training and experience to recognize the hazards of the job site and position he was working in at the time of this incident. Proper insulating tools and personal protective equipment had been provided, were available at the job site, and, if used properly, could have prevented the entire incident. JPEC did nothing to contribute to Mr. Frazier's actions in this incident. Mr. Frazier's supervisor, Chad Culp, instructed him to utilize the proper equipment immediately preceding this incident. However, Mr. Frazier disobeyed those instructions and did not use the protective tools and devices provided in complete disregard of his own personal safety.

Witness: Scott Ribble.

Citation #7: NESC, Part 4, Section 42, Rule 420.C.5: No employee shall approach or bring any conductive object without a suitable insulating handle, closer to any exposed energized part than allowed by Rule 432 (communication) or rule 441(supply), as applicable.

Response:

Once again JPEC states that Mr. Frazier acted as an individual without regard to his personal safety in this incident. Mr. Frazier had adequate training and experience to recognize the hazards of the job site and position he was working in at the time of this incident. Proper insulating tools and personal protective equipment had been provided, were available at the job site, and, if used properly, could have prevented the entire incident. JPEC did nothing to contribute to Mr. Frazier's actions in this incident. In fact, Mr. Frazier's supervisor, Chad Culp, instructed him to utilize the proper equipment immediately preceding this incident. However, Mr. Frazier disobeyed those instructions and did not use the protective tools and devices provided.

Witness: Scott Ribble.

THIRD DEFENSE

JPEC is dedicated to the safety of its employees, contractors and to all members of the public. JPEC hires only reputable contractors with proven safety records. Further, JPEC ensures that its employees are adequately trained in all safety measures as any prudent utility would do. Further, in Case Number 2007-00456, JPEC agreed to and has complied with performing monthly safety audits of all JPEC crews and contractor crews. In addition, JPEC is present on most jobsites throughout the month more frequently in an effort to ensure safety procedures are being followed. In this particular instance where an individual refuses to follow instructions given to him within seconds prior to an accident, it is unclear how else this could have been prevented. Additionally, it is the understanding of JPEC that the individuals on that crew are no longer employed by T&D and, as such, will not be present on any JPEC jobsite in the future.

FOURTH DEFENSE

JPEC hereby denies any violation of 807 KAR 5:006, Section 27.

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 March 17, 2015, be suspended and that an informal conference be scheduled with the Commission Staff at the earliest available date 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: Melissa D. Yates

ATTORNEYS FOR JACKSON PURCHASE ENERGY CORPORATION

I hereby certify that the foregoing has been served by sending a true and correct copy via Federal Express to:

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

on this / ay of January, 2015 By: Mellssa D. Yates

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