

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

LOUISVILLE GAS AND ELECTRIC COMPANY)	CASE NO. 2016-00202
_____)	
)	
ALLEGED FAILURE TO COMPLY WITH KRS 278.042)	
)	

ORDER

By Order entered June 23, 2016, the Commission initiated this proceeding to determine whether Louisville Gas and Electric Company ("LG&E") should be subject to the penalties prescribed in KRS 278.990 for alleged violations of KRS 278.042, which requires the Commission to ensure that each electric utility constructs and maintains its plant and facilities in accordance with accepted engineering practices as set forth in the Commission's administrative regulations and orders and the most recent edition of the National Electrical Safety Code ("NESC").

The violations giving rise to this case involve an incident occurring on March 31, 2016, during which an LG&E crew was responding to an outage near the intersection of Frankfort Avenue and Crestmoor Avenue in Louisville, Kentucky. The crew replaced an aluminum cross arm on a pole, added new hardware, and was in the process of re-energizing when Mr. Edds, an LG&E technician, made contact with an adjacent phase conductor while attempting to install and tighten a hot line clamp above one of the cutouts with a screwdriver. When the screwdriver Mr. Edds was using made contact with the energized phase conductor in the primary supply spacer-cable, it

created an arc that inflicted first - and second-degree burns to Mr. Edds's face. Mr. Edds was treated and released from the hospital the same day.

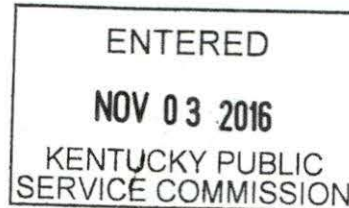
On July 13, 2016, LG&E filed a response to the Commission's Order, admitting to the incident's occurrence but denying that it committed any willful violations of KRS 278.042, the NESC, or the LG&E Safety Manual. At LG&E's request, an informal conference was conducted with Commission Staff in this matter on August 9, 2016. Post conference, at Commission Staff's request, LG&E filed into the record the following items: (1) a summary of the remedial actions it took as a result of the March 31, 2016 incident that is the subject of this case; (2) an update on LG&E's Work Safety Audit procedures; and (3) documentation of any changes to LG&E polices or procedures.

Discussions in the course of the informal conference led to the filing for the Commission's consideration of a Stipulation of Facts and Settlement Agreement ("Stipulation"). The Stipulation, attached hereto as the Appendix, sets forth an agreed-upon summary of the facts and provides for remedial action by LG&E in full settlement of this proceeding. In determining whether the terms of the Stipulation are in the public interest and are reasonable, the Commission has taken into consideration the circumstances surrounding the alleged violation and the terms of the Stipulation. Based on the evidence of record and being otherwise sufficiently advised, the Commission finds that the Stipulation is in accordance with the law and does not violate any regulatory principle. The Stipulation is a product of arm's-length negotiations among capable, knowledgeable parties, is in the public interest, and results in a reasonable resolution of all issues in this case.

IT IS THEREFORE ORDERED that:

1. The Stipulation is adopted and approved in its entirety as a complete resolution of all issues in this case.
2. As a result of the March 31, 2016 incident, LG&E agrees to pay a civil penalty, pursuant to KRS 278.990, in the amount of \$10,000.
3. Upon payment of \$10,000 by LG&E, this case shall be closed and removed from the Commission's docket without further Order of the Commission.

By the Commission



ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2016-00202 DATED **NOV 03 2016**

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LOUISVILLE GAS AND ELECTRIC COMPANY)	CASE NO. 2016-00202
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ALLEGED FAILURE TO COMPLY WITH KRS 278.042)	
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STIPULATION OF FACTS AND SETTLEMENT AGREEMENT

By Order entered June 23, 2016, the Commission initiated this proceeding to determine whether Louisville Gas and Electric Company ("LG&E") should be subject to the penalties prescribed in KRS 278.990 for alleged violations of KRS 278.042, which requires the Commission to ensure that each electric utility constructs and maintains its plan and facilities in accordance with accepted engineering practices as set forth in the Commission's administrative regulations and orders and the most recent edition of the National Electrical Safety Code ("NESC").

The violations giving rise to this case involves an incident occurring on March 31, 2016, during which an LG&E crew was responding to an outage condition near the intersection of Frankfort Avenue and Crestmoor Avenue in Louisville, Kentucky. The crew replaced an aluminum cross arm on a pole, added new hardware, and was in the process of re-energizing when Mr. Edds, an LG&E technician, made contact with an adjacent phase conductor while attempting to install and tighten a hot line clamp above one of the cutouts with a screwdriver. When the screwdriver Mr. Edds was using made contact with the energized phase conductor in the primary supply spacer-cable, it

created an arc that inflicted first and second-degree burns to Mr. Edds's face. Mr. Edds was treated and released from the hospital the same day.

On July 13, 2016, LG&E filed a response to the Commission's Order, admitting to the incident's occurrence but denying that it committed any willful violations of KRS 278.042, the NESC, or the LG&E Safety Manual. At LG&E's request, an informal conference was conducted with Commission Staff in this matter on August 9, 2016. Post conference, at Commission Staff's request, LG&E filed into the record the following items: (1) a summary of the remedial actions it took as a result of the March 31, 2016 incident that is the subject of this case; (2) an update on LG&E's Work Safety Audit procedures; and (3) documentation of any changes to LG&E polices or procedures.

As a result of an agreement reached during the informal conference, LG&E and Commission Staff submit the following Stipulation of Facts and Settlement Agreement ("Stipulation") for the Commission's consideration in rendering its decision in this proceeding.

1. LG&E is a Kentucky corporation and part of PPL Corporation, engages in the distribution of gas and electricity to the public for compensation, and is a utility subject to Commission jurisdiction.
2. On March 31, 2016, an incident took place during which an LG&E crew was responding to an outage condition near the intersection of Frankfort Avenue and Crestmoor Avenue in Louisville, Kentucky. The crew replaced an aluminum cross arm on a pole, added new hardware, and was in the process of re-energizing when Mr. Edds, an LG&E technician, made contact with an adjacent phase conductor while attempting to install and tighten a hot line

clamp above one of the cutouts with a screwdriver. When the screwdriver Mr. Edds was using made contact with the energized phase conductor in the primary supply spacer-cable, it created an arc that inflicted first and second-degree burns to Mr. Edds's face. Mr. Edds was treated and released from the hospital the same day.

3. As a result of the March 31, 2016 incident, LG&E has undertaken the following six remedial actions. First, LG&E issued time off to both Mr. Edds and Tom Malloy, the foreman who was leading the crew at the time of the incident. Second, both Edds and Malloy actively participated in safety tailgate sessions, taking responsibility for their actions with peers. Third, LG&E issued a Safety Watch to all operation centers on March 31, which described the event at a high level and asked all employees to stop, refocus and recommit to LG&E's safety excellence. Fourth, LG&E conducted a Safety Stand-down in all Louisville operation centers on April 5, during which Management reviewed LG&E's Electric Distribution Operations Safety Plan, reviewed the specific incident, including what was done wrong and what was done right, and reviewed the Safety Reinforcement policy in issuing discipline. Fifth, LG&E conducted a Safety Blitz from April 25 - April 29, 2016, in which the management team went into the field and emphasized the following topics: job briefings; identifying hazards; being your brother's keeper; work practices; vehicle safety; stress hazards associated with the heat; proper site angles of job observation; when working on various conductors, look at the entire span to identify splices that could break or cause a hazard; and

ensuring that work will not negatively impact customers or property. Finally, LG&E instituted continuous training on the Safety Manual, assigning various employees to review certain sections with peers at each weekly tailgate.

4. With regards to updates to LG&E's Work Safety Audit procedures, LG&E stipulates as follows: LG&E regularly conducts formal work safety audits of its Electric Distribution Operations ("EDO") employees working on overhead and underground facilities. Several LG&E employees conduct these audits: the Manager of LG&E's Louisville Electric Distribution, Field Coordinators, Group Leaders, Team Leaders, and representatives from Safety and Technical Training. These formal audits are unannounced and they cover a wide range of safety topics, such as job planning and briefings, work area protection, personal protective equipment, cover-up protection, and recognizing other specific hazards. The team audits both employees and contractors working in the field. LG&E employees conducting formal audits complete an audit form, which is submitted electronically and stored in a database. An LG&E employee then reviews the forms and ensures that LG&E addresses any deficiencies noted. LG&E EDO has set a goal of 65 formal safety audits per month. Through the end of July of this year, LG&E EDO had conducted 587 formal safety audits (above the 455 target for this point in the year). LG&E does not have set crews that always work together, and, depending on the particular job, the crew size varies. Thus, it is not possible to track exactly how often each individual employee is formally audited. However, LG&E is

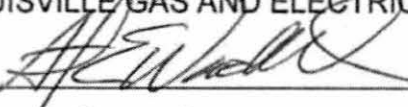
confident that, given the frequency of the formal and work safety audits, employee and contractor work practices are observed regularly.

5. With respect to changes to LG&E's policies or procedures as a result of the March 31, 2016 incident, LG&E has now adopted the following recommendations regarding installation of hot line clamps: (1) It is acceptable to attach hot line clamps to conductors by hand under the following conditions: (a) No load is being picked up, (b) No lighting arresters are being energized, and (c) Proper cover up is applied when working within the Minimum Approach Distance for any energized conductor or difference in potential. Should these conditions be met and the hot line clamp is attached to the conductor by hand, the hot line clamp shall be tightened to the conductor with an approved hot stick. Screwdrivers, pliers, and other tools are not considered approved tools as stated in LGE/KU safety manual (A.24.4). As a result of the March 31, 2016 incident, LG&E also issued a Safety Watch to convey this Work Practice to employees, a copy of which is attached hereto.
6. As a result of the March 31, 2016 incident, LG&E agrees to pay a civil penalty, pursuant to KRS 278.990, in the amount of \$10,000. The Commission's acceptance of this Stipulation will satisfy and resolve any and all claims against LG&E for any violation of KRS Chapter 278 or for any penalty under KRS 278.990 arising out of the March 31, 2016 incident.
7. This Stipulation is not an admission by LG&E that it willfully violated KRS 278.042 or any other provision of KRS Chapter 278. The Commission's

acceptance of this Stipulation shall not be construed as a finding that LG&E willfully violated any statute.

8. In the event the Commission does not accept this Stipulation in its entirety, LG&E reserves the right to withdraw therefrom and require that a hearing be held on any and all issues herein, and that none of the provisions contained herein shall be used as an admission by LG&E of any liability in any legal proceeding or lawsuit arising out of the facts set forth in this Stipulation.
9. This Stipulation is for use in Case No. 2016-00202. None of its provisions establishes any precedent for any other case. Neither LG&E nor Commission Staff shall be bound by any part of this Stipulation in any other proceeding, except that it may be used in any proceeding by the Commission to investigate or enforce the terms of this Stipulation. LG&E shall not be precluded or estopped from raising any issue, claim, or defense, therein by reason of the execution of this Stipulation.
10. If the Commission accepts and adopts this Stipulation, LG&E's failure to comply with Paragraph 6 of this Stipulation will constitute failure to comply with a Commission Order and may be subject to civil penalties under KRS 278.990(1) for its failure.
11. LG&E and Commission Staff agree that the foregoing Stipulation is reasonable, is in the public interest, and should be adopted in its entirety by the Commission. If adopted by the Commission, LG&E waives its right to a hearing in this matter and will not petition for rehearing or bring an action for review in Franklin Circuit Court.

LOUISVILLE GAS AND ELECTRIC COMPANY

By 

Title Director, LGE Distribution Ops

Date 10/11/2016

STAFF OF THE PUBLIC SERVICE COMMISSION

By Molly Katin

Title Staff Attorney

Date 10/14/16

August 17, 2016

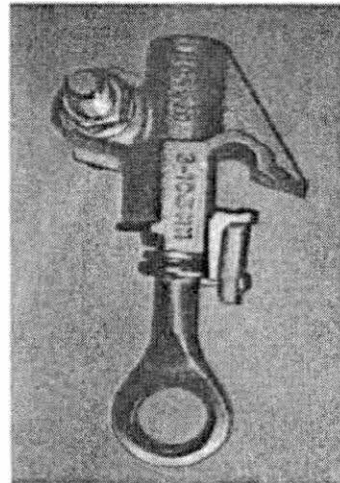
Item: Work Practice – Hot Line Clamp Installation

From: LGE/KU Safety Department



Current work practices across our company and across our industry allow for the installation of a hot line clamp by hand under certain circumstances. This will continue to be an accepted work practice at LGE/KU, unless the employee is:

- Picking up any load
- Energizing any lightning arrester



Proper cover up shall be applied when working within the Minimum Approach Distance (MAD) for any energized conductor or difference of potential. (*LGE/KU Health and Safety Manual D.1.8*)

Should these conditions be met, and the hot line clamp is attached to the conductor by hand, the hot line clamp shall be tightened to the conductor using an approved hot stick. Screwdrivers, pliers, or any other tools are not considered approved tools for the tightening of a hot line clamp. (*LGE/KU Health and Safety Manual A.24.4 Tools shall be used for only the purposes for which they have been designed, manufactured and approved.*)

For comments or questions regarding this information, call your Safety representative

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