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Commonwealth of Kentucky
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Michael J. Schmitt
Chairman

Robert Cicero
Vice Chairman

June 27, 2017

Talina R. Mathews
Executive Director
Public Service Commission
P.O. Box 625
Frankfort, KY 40602

Re: Case No. 2017-00065
Inter-County Cooperative Corporation
Alleged Failure to Comply with KRS 278.042

Dear Ms. Mathews:

Enclosed for filing is the Stipulation of Facts and Settlement Agreement entered into between Commission Staff and Inter-County Cooperative Corporation. Please bring this document to the Commission's attention for its review and consideration.

Sincerely,


Quang D. Nguyen
Staff Attorney

QDN/ph

Attachment

cc: Parties of Record

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

MAY 12 2017

PUBLIC SERVICE
COMMISSION

In the Matter of:

INTER-COUNTY COOPERATIVE
CORPORATION

ALLEGED FAILURE TO COMPLY
WITH KRS 278.042

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CASE NO. 2017-00065

STIPULATION OF FACTS AND SETTLEMENT AGREEMENT

By Order dated February 9, 2017, the Commission initiated this proceeding to determine whether Inter-County Cooperative Corporation ("Inter-County") 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 involves an incident occurring on November 23, 2015, in which Colby Grider, a maintenance technician for Inter-County, sustained injuries as a result of either directly or indirectly coming into contact with an energized primary conductor. At the time of the incident, Mr. Grider was responding to an outage on Patsy Riffe Ridge Road just off of

KY 127 north of Liberty, Kentucky, in Casey County. Mr. Grider was by himself and was in the process of evaluating the outage situation in a cornfield on the south side of Patsy Riffe Ridge Road. Mr. Grider contacted another Inter-County employee, Bo McGuffey, to assist with the outage. As Mr. McGuffey was en route to the outage site, Mr. Grider contacted Mr. McGuffey informing him that he had made contact with a primary conductor (7,200 volts) while walking in the cornfield. It appears that Mr. Grider made contact with either the energized conductor or a corn stalk that had been energized by the fallen conductor. The primary conductor was in the first span behind a single-phase recloser that did not lock out when the conductor failed, which caused the conductor to remain energized. After Mr. McGuffey arrived at the accident scene, he was able to locate Mr. Grider and called emergency services. Mr. Grider sustained numerous burns over his body, including a significant burn injury to his right hand. Mr. Grider was eventually transported to Ephraim McDowell Regional Medical Center in Danville, Kentucky.

The Accident Investigation Staff Report ("Staff Report") alleges that the energized conductor did not meet the vertical clearance requirements for above-ground energized conductors. The Staff Report also indicates that Mr. Grider was in violation of the minimum approach distance requirement to an energized conductor and that he failed to be equipped with personal protective equipment. As noted in the Staff Report, Inter-County provides all employees that work in the vicinity of energized conductors or equipment with a personal voltage detector. Mr. Grider did not have this device with him at the time of the incident, which could have alerted him of the existence of the energized conductor.

On February 22, 2017, Inter-County filed a response to the Commission's February 9, 2017 Initiating Order addressing each of the alleged violations of the NESC and the Inter-County Safety Manual. On the same date, Inter-County filed a motion to schedule an informal conference in this matter for the purposes of narrowing and clarifying the issues in this proceeding.

On March 22, 2017, an informal conference was held at the Commission's offices to discuss the issues in the case. As a result of the discussions at the informal conference, Inter-County and Commission Staff were able to reach an agreement in principle.

1. Inter-County is a consumer-owned rural electric cooperative corporation engaged in the distribution and sale of electric energy to the public for compensation and is a utility subject to the Commission's jurisdiction.
2. On November 23, 2015, Colby Grider, an Inter-County maintenance technician, was responding to an outage on Patsy Riffe Ridge Road in Liberty, Kentucky. While Mr. Grider was in the process of evaluating the outage situation in a cornfield on the south side of Patsy Riffe Ridge Road, he made contact with either the energized primary conductor or a corn stalk that had been energized by the fallen conductor. Mr. Grider sustained numerous burns over his body, including a significant burn injury to his right hand.
3. As a direct result of the November 23, 2015 incident, Inter-County has conducted an extensive root cause analysis of the incident and ultimately made the decision to revise the Inter-County Safety Manual to include the following provision to Inter-County Policy 315, Attachment B, "Arc Flash/Blast Protection":

D. Personal Voltage Detectors

1. Employees involved in troubleshooting of outages, when there is a potential of downed power lines, shall actively wear a company approved and provided personal voltage detector (V-Watch).
 2. The personal voltage detector shall be worn on the front of the body to ensure the earliest detection of energized lines in the path of the wearer's travel.
4. As a result of the November 23, 2015 incident, Inter-County agrees to pay a civil penalty, pursuant to KRS 278.990, in the amount of \$5,000. The Commission's acceptance of this Stipulation will satisfy and resolve any and all claims against Inter-County for any violation of KRS Chapter 278 or for any penalty under KRS 278.990 arising out of the November 23, 2015 incident.
5. This Stipulation is not an admission by Inter-County 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 Inter-County willfully violated any statute.
6. In the event the Commission does not accept this Stipulation in its entirety, Inter-County 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 Inter-County of any liability in any legal proceeding or lawsuit arising out of the facts set forth in this Stipulation.
7. This Stipulation is for use in Case No. 2017-00065. None of its provisions establishes any precedent for any other case. Neither Inter-County 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. Inter-County shall not be precluded or estopped from raising any issue, claim, or defense, therein by reason of the execution of this Stipulation.

9. If the Commission accepts and adopts this Stipulation, Inter-County's failure to comply with Paragraph 4 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.

10. Inter-County 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, Inter-County 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.

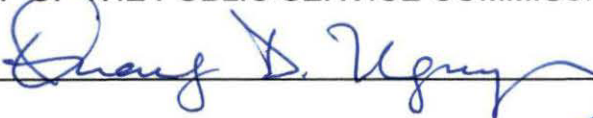
INTER-COUNTY COOPERATIVE CORPORATION

By 

Title PRESIDENT / CEO

Date 5/11/17

STAFF OF THE PUBLIC SERVICE COMMISSION

By 

Title Ass't. Gen. Counsel

Date May 15, 2017

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