



Steven L. Beshear
Governor

Robert D. Vance, Secretary
Environmental and Public
Protection Cabinet

Larry R. Bond
Commissioner
Department of Public Protection

Debbie Martin
Shelby Energy Cooperative, Inc.
620 Old Finchville Road
Shelbyville, KY 40065

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

Mark David Goss
Chairman

John W. Clay
Vice Chairman

Caroline Pitt Clark
Commissioner

April 30, 2008

RE: Case No. 2008-00147

We enclose one attested copy of the Commission's Order in the above case.

Sincerely,

A handwritten signature in cursive script that reads "Stephanie Stumbo".

Stephanie Stumbo
Executive Director

SS/tw
Enclosure



Steven L. Beshear
Governor

Robert D. Vance, Secretary
Environmental and Public
Protection Cabinet

Larry R. Bond
Commissioner
Department of Public Protection

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

Mark David Goss
Chairman

John W. Clay
Vice Chairman

Caroline Pitt Clark
Commissioner

Honorable Donald T. Prather
Attorney At Law
Mathis, Riggs & Prather, P.S.C. Attorneys at Law
P. O. Box 1059
500 Main Street, Suite 5
Shelbyville, KY 40066-1059

April 30, 2008

RE: Case No. 2008-00147

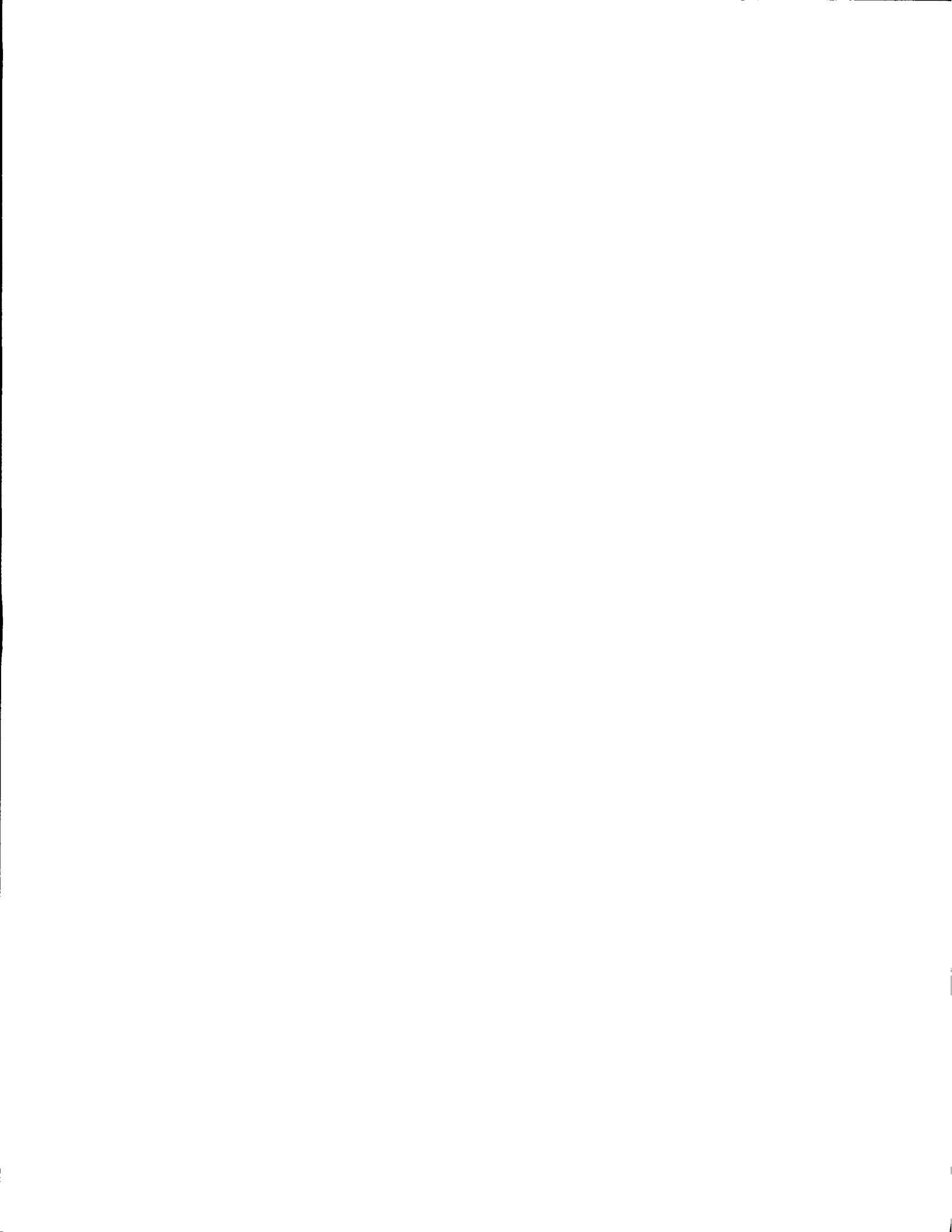
We enclose one attested copy of the Commission's Order in the above case.

Sincerely,

A handwritten signature in cursive script that reads "Stephanie Stumbo".

Stephanie Stumbo
Executive Director

SS/tw
Enclosure



a contractor. As a result of the inspection, the investigators documented possible violations by Dobson of two NESC rules.

The inspection took place on Vigo Road in Shelby County, Kentucky. During the inspection, Commission investigators witnessed new conductors being pulled by Dobson personnel, and at one location the conductors were sagging just a few feet above the ground. After witnessing the low-hanging conductors, the inspectors investigated the area for possible line clearance violations.

During the line inspection, the son of Dobson's owner, James Dobson, arrived on the site. One of the inspectors spoke to him and pointed out the conductors sagging very low to the ground. James Dobson admitted that the conductors did not have any grounds on them, and he stated that when his employees finished pulling the conductors to the last pole, they would "dead end" the conductors, and then install the grounds. After this discussion, the inspector called Shelby's Vice President of Operations to inform him about the low-hanging conductors. He and another employee of Shelby then came to the site, where they discussed with the Commission inspectors the possible violations.

On January 16, 2008, the Commission issued a copy of the January 3, 2008 Inspection Report to Shelby, requesting that the utility respond to the documented probable violations by February 29, 2008. On February 25, 2008, Shelby filed its response, which is attached hereto as Appendix B. Shelby admitted the two violations cited in the Inspection Report.

The Inspection Report noted two probable violations of 807 KAR 5:041, Section 3(1). All alleged violations arise under the 2007 edition of NESC. The alleged violations are as follows:

- NESC Section 23, 232-B-2: The vertical clearance of wires, conductors, and cables above ground in generally accessible places, roadway, rail, or water surfaces, shall be not less than [18.5 feet].
- NESC Section 42, 422-C-1: Precautions shall be taken to prevent wires or cables that are being installed or removed from contacting energized wires or equipment. Wires or cables that are not bonded to an effective ground and which are being installed or removed in the vicinity of energized conductors shall be considered as being energized.

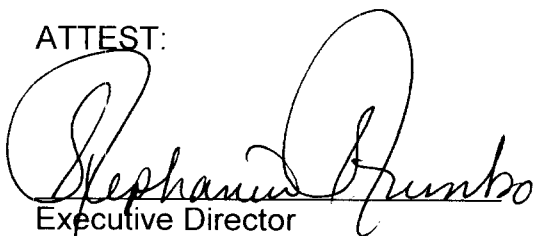
The Commission, on its own motion, HEREBY ORDERS that:

1. Shelby shall appear on May 29, 2008 at 9:00 a.m., Eastern Daylight Time, in Hearing Room 1 of the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky, to present evidence concerning the incident which is the subject of the Inspection Report. Specifically, Shelby shall present evidence as to the two violations of KRS 278.042 and the NESC and show cause why it should not be subject to the penalties of KRS 278.990 for the alleged violations.
2. The Inspection Report (Appendix A) is made a part of the record in this case.
3. Shelby's February 25, 2008 response to the Inspection Report (Appendix B) is made a part of the record in this case.
4. Any requests for an informal conference with Commission Staff shall be set forth in writing and filed with the Commission within 20 days of the date of this Order.

Done at Frankfort, Kentucky, this 30th day of April, 2008.

By the Commission

ATTEST:


Executive Director

Case No. 2008-00147

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2008-00147 DATED APRIL 30, 2008



Steven L. Beshear
Governor

Robert D. Vance, Secretary
Environmental and Public
Protection Cabinet

Timothy J. LeDonne
Commissioner
Department of Public Protection

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-1582
psc.kv.gov

Mark David Goss
Chairman

John W. Clay
Vice Chairman

Caroline Pitt Clark
Commissioner

January 16, 2008

Debbie Martin
President & CEO
Shelby Energy Cooperative, Inc.
620 Old Finchville Road
Shelbyville, KY 40065-1714

RE: Field Investigation Shelby Energy Cooperative, Inc.

Dear Ms. Martin:

On November 13, 2007, Jeff Moore conducted a field investigation of Shelby Energy Cooperative, Inc. Dobson Power Line Contractors in Shelby County, Kentucky. There was one deficiency documented during the investigation. A copy of the investigation report is attached for your review.

Please review the attached report. You will note that one deficiency was documented during the investigation. You are requested to respond to this report, outlining corrective actions for the cited deficiency by February 29, 2008. Please provide your responses on the copy of the Deficiency Tracking Report sent with this letter by completing the three sections under the Response heading for each cited deficiency.

If you have any questions or need additional information, feel free to contact me at (502) 564-3940, extension 421. We appreciate your continued interest in the safe operation of your electric facilities.

Sincerely,

John V. Shupp, P.E.
Manager, Electric Branch
Division of Engineering

JVS:JM:mae
Attachments: ShelbyEC-F-111307 Investigation Report

KentuckyUnbridledSpirit.com



An Equal Opportunity Employer
M/F/D

COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

UTILITY INSPECTION REPORT

Report Date: 1/3/2008

Report Number: ShelbyEC-F-111307

BRIEF

Inspector: Jeff Moore
Inspection Date: 11/13/2007
Type of Inspection: Investigation

Type of Facility: Electrical Distribution Operations Center
Name of Utility: Shelby Energy Cooperative, Inc.
Location of Facility: Shelbyville, Kentucky
Purpose of Inspection: Found possible violations after investigating the accident involving a Dobson Power Line employee. See Inspector Comments

Applicable Regulations: KRS 278.042, KAR 5:006, KAR 5:011, KAR 5:041, National Electrical Safety Code (most recent edition)

INSPECTION

Description of Utility: Retail Electric Energy Provider
Number of Customers: 15000
Area of Operation: Service area encompasses all or part of 10 counties: Anderson, Carroll, Franklin, Henry, Jefferson, Oldham, Owen, Shelby, Spencer, and Trimble
Supply Source: East Kentucky Power Cooperative
Distribution Description:
Workforce Summary:
Utility Reps in Insp: David Martin and Wayne Anderson
Date of Last Inspection: 6/5/2007
DTR from Last Insp: 0
DTRs not Cleared: 0

Summary of items and facilities inspected:

Two possible violations noticed during this investigation:

1. Vertical clearance on the new conductors.
2. The lack of sufficient grounds, and the potential of new conductors becoming energized.

**COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION**

UTILITY INSPECTION REPORT

Report Date: 1/3/2008

Report Number: ShelbyEC-F-111307

FINDINGS

- 1 232. Vertical Clearances of Wires, Conductors, Cables, and Equipment Above Ground, Roadway, Rail, or Water Surfaces
- B. Clearance of Wires, Conductors, Cables, Equipment, and Support Arms Mounted on Supporting Structures
1. Clearance to Wires, Conductors, and Cables
- The vertical clearance of wires, conductors, and cables above ground in generally accessible places, roadway, rail, or water surfaces, shall be not less than that shown in Table 232-1 .
422. Overhead Line Operating Procedures
- Employees working on or with overhead lines shall observe the following rules in addition to applicable rules contained elsewhere in Sections 43 and 44.
- C. Installing and Removing Wires or Cables
1. Precautions shall be taken to prevent wires or cables that are being installed or removed from contacting energized wires or equipment. Wires or cables that are not bonded to an effective ground and which are being installed or removed in the vicinity of energized conductors shall be considered as being energized.
5. Employees working on or in the vicinity of equipment or lines exposed to voltages higher than those guarded against by the safety appliances provided shall take steps to be assured that the equipment or lines on which the employees are working are free from dangerous leakage or induction or have been effectively grounded.
-

RECOMMENDATIONS

ADDITIONAL INSPECTOR COMMENTS

I scheduled a meeting with David Martin, Vice President of operations with Shelby Energy, to discuss the accident involving Mr. Carroll, an employee with Dobson Power Line Construction. This meeting was held at the Shelby Energy office in Shelbyville on 11/13/2007.

After meeting with David Martin and Wayne Anderson about the accident that occurred on 11/12/2007, Steve Kingsolver and I drove to the accident site on 5500 Vigo Road. We informed Shelby Energy staff that we wanted to investigate the accident site and take some photographs of the surrounding area. While driving to the accident site on Vigo Road, we passed Dobson Power Line construction crews continuing the upgrade of this circuit.

After completing the accident investigation, Mr. Kingsolver and I drove east on Vigo Road. and noticed the new conductors being pulled by Dobson Power Line crews were sagging just a few feet above the ground. We stopped to investigate the area because of possible clearance violations. While looking into possible clearance violations at this site, an employee with Dobson Power Line construction drove by this location. While Mr. Kingsolver stayed at this location I followed this employee. The employee

**COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION**

UTILITY INSPECTION REPORT

Report Date: 1/3/2008

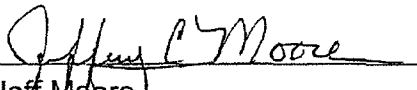
Report Number: ShelbyEC-F-111307

stopped at the reel trailer a few spans down the road. I approached this employee and introduced myself and informed him I was with the Public Service Commission. He replied he was James Dobson. I told him we noticed the conductors a few spans back sagged very low, and we stopped to look at this after completing the accident investigation. I asked if these conductors had any grounds on them; Mr. Dobson replied, "No." He explained that when the conductors have been pulled to the last pole, employees would dead end the conductors, then install the grounds.

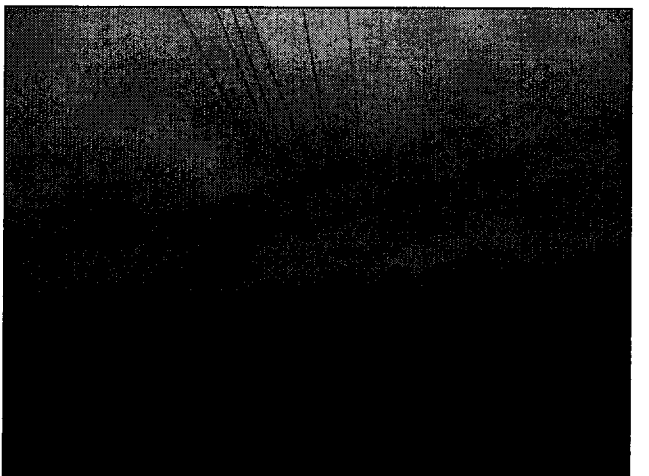
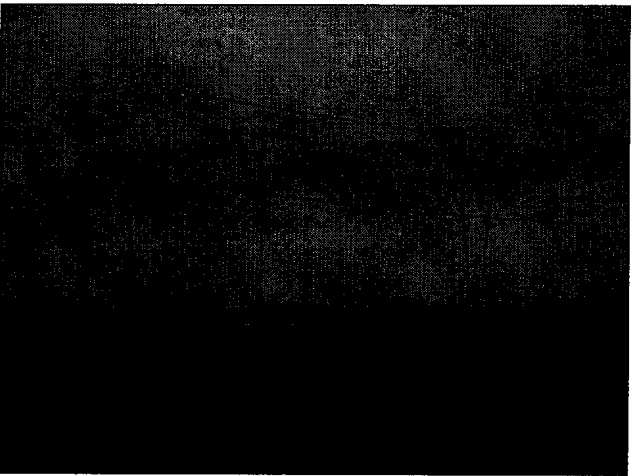
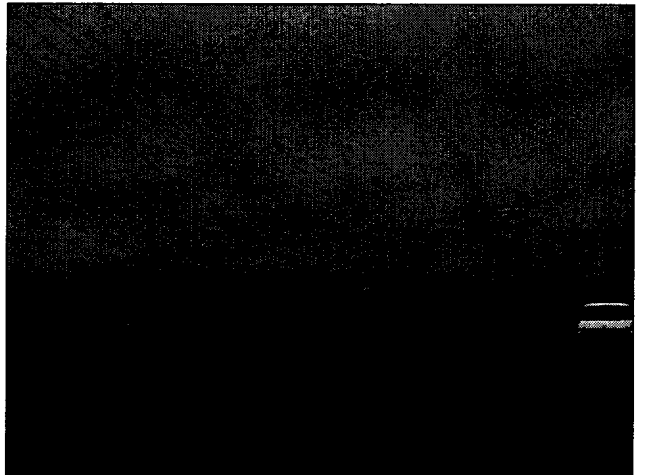
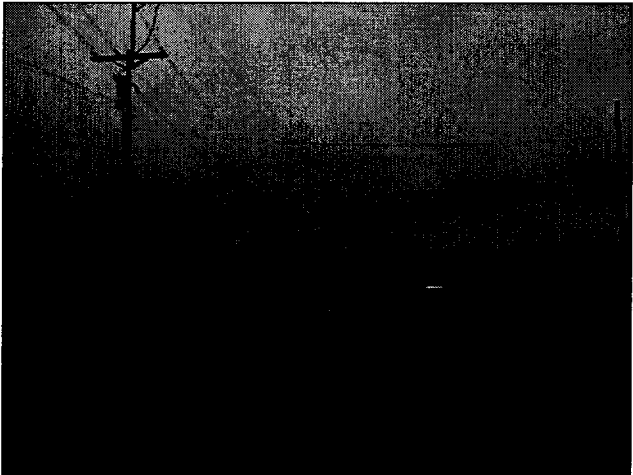
At this time we had a possible clearance violation and potentially energized conductors. I returned to the site and talked with Mr. Kingsolver about my discussion with Mr. Dobson. I then called Mr. Martin and asked him to meet me at the site. While waiting for Mr. Martin, a Dobson Power Line employee was dropped off at the location of the low conductors. Mr. Kingsolver and I took pictures of the site while waiting for Mr. Martin.

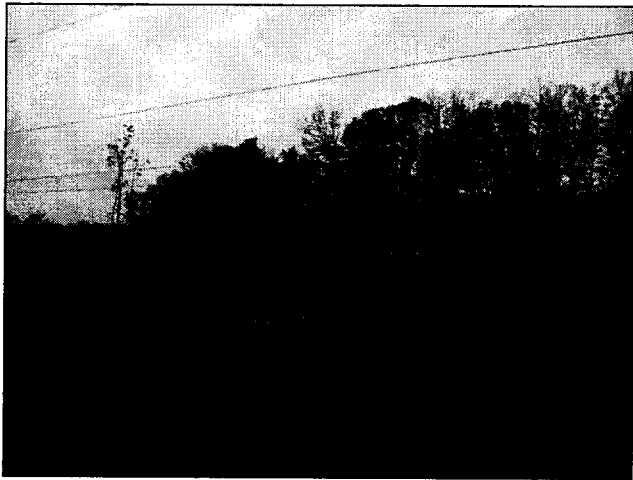
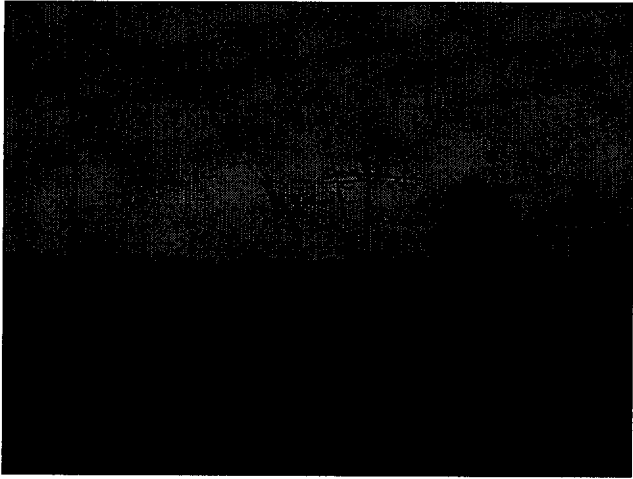
David Martin and Wayne Anderson with Shelby Energy arrived at the site. I discussed what we had noticed as possible violations with Mr. Martin and Mr. Anderson.

Submitted by


Jeff Moore

Utility Regulatory and Safety Investigator III





Report Number: ShelbyEC-F-111307
DTR Number: 1

Due Date: 2/29/2008

Deficiency Tracking Report

Deficiency Detail

Utility	Date of Investigation	Investigator
Shelby Energy Cooperative, Inc.	11/13/2007	Jeff Moore

Regulation

KRS 278.042(2) Except as otherwise provided by law, the commission shall, in enforcing service adequacy and safety standards for electric utilities, ensure that each electric utility constructs...

Deficiency:

232. Vertical Clearances of Wires, Conductors, Cables, and Equipment Above Ground, Roadway, Rail, or Water Surfaces

B. Clearance of Wires, Conductors, Cables, Equipment, and Support Arms Mounted on Supporting Structures

1. Clearance to Wires, Conductors, and Cables

The vertical clearance of wires, conductors, and cables above ground in generally accessible places, roadway, rail, or water surfaces, shall be not less than that shown in Table 232-1 .

422. Overhead Line Operating Procedures

Employees working on or with overhead lines shall observe the following rules in addition to applicable rules contained elsewhere in Sections 43 and 44.

C. Installing and Removing Wires or Cables

1. Precautions shall be taken to prevent wires or cables that are being installed or removed from contacting energized wires or equipment. Wires or cables that are not bonded to an effective ground and which are being installed or removed in the vicinity of energized conductors shall be considered as being energized.

5. Employees working on or in the vicinity of equipment or lines exposed to voltages higher than those guarded against by the safety appliances provided shall take steps to be assured that the equipment or lines on which the employees are working are free from dangerous leakage or induction or have been effectively grounded.

if Repeat Deficiency, Date of Last DTR:

Response (attach additional pages as necessary)

1) Explain why the deficiency occurred. Include information about what caused the deficiency and why it was not detected by the utility. (Attach extra pages as necessary)

2) Explain actions taken to correct the deficiency, including utility's responsible person, actions taken, and when it was (or will be) done. (Attach extra pages as necessary)

Report Number: ShelbyEC-F-111307
DTR Number: 1

Due Date: 2/29/2008

Deficiency Tracking Report

3) Explain actions taken to prevent the deficiency from occurring again, including utility's responsible person, actions taken, and when it was (or will be) done. (Attach extra pages as necessary)

Response Provided By: _____

Response Date: _____


Signature: _____

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2008-00147 DATED APRIL 30, 2008



Shelby Energy
Cooperative, Inc.

Your Touchstone Energy® Partner 

February 22, 2008

RECEIVED

FEB 25 2008

PUBLIC SERVICE
COMMISSION

Mr. John V. Shupp, P.E.
Manager, Electric Branch
Division of Engineering
Kentucky Public Service Commission
P. O. Box 615
211 Sower Blvd.
Frankfort, KY 40602-0615

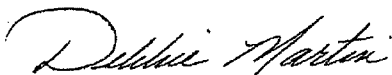
RE: Shelby EC-F-111307 Investigation Report

Dear Mr. Shupp:

Enclosed are the original and five (5) copies of the response of Shelby Energy Cooperative to the deficiency tracking report as submitted by Investigator, Jeff Moore, with a date of November 13, 2007. As requested in your letter dated January 16, 2008, a response has been provided for each of the three sections concerning the deficiency.

Should you have any questions or need additional information, please feel free to contact me at 502-633-4420, extension 533.

Sincerely,



Debbie Martin
President & CEO

Enclosures

www.shelbyenergy.com

620 Old Finchville Road • Shelbyville, Kentucky 40065-1714

Shelby Co. (502) 633-4420 • Trimble Co. (502) 255-3260 • Henry Co. (502) 845-2845

Appendix B to Show Cause Order - 2008-00147, Shelby Energy Cooperative, Inc.

**RESPONSE TO UTILITY INSPECTION REPORT
REPORT NO. SHELBYEC-F-111307**

February 20, 2008

RESPONSE (1)

The findings by Investigator Moore of the Kentucky Public Service Commission (PSC) relative to the work being performed by Dobson Power Line Construction Company, Inc. (Dobson) on Shelby Energy Cooperative's (Shelby) electric distribution plant have basis in two areas, namely maintaining National Electric Safety Code (NESC) minimum ground clearance requirements (as specified in Table 232-1 of the NESC) during new conductor stringing procedures and the effective grounding of those new conductors during the new conductor stringing process.

Addressing the matter of effectively grounding of new conductors being installed on an existing circuit first, the NESC states in Section 422, C1: "wires or cables that are not bonded to an effective ground and which are being installed in the vicinity of energized conductors shall be considered as being energized". The Dobson crew was apparently working under the assumption that occasional, incidental contact of a stringing block with a lightning arrester ground lead, stapled to a crossarm, served as sufficient bonding to an effective ground. No mechanical/ "traveling" grounds were in use when Inspector Moore observed this conductor stringing operation on November 13, 2007. Clearly, the new conductors in this instance were not effectively grounded and therefore must be considered energized. This fact also has bearing on the minimum amount of ground clearance (or clearance between the conductor and grade) that must be maintained during the conductor stringing operation.

Relative to the finding that NESC ground clearance requirements were violated during the conductor stringing operation observed by Inspector Moore, it must be said that this is indeed the case. Since it has already been established that the new conductors were not effectively grounded and must therefore be considered energized, then NESC minimum ground clearance requirements from Table 232-1 for open supply conductors over 750 volts to 22 kilovolts would apply. The absolute minimum value given for this category of conductor is 14.5 feet, for spaces and ways subject to pedestrians or restricted traffic only. Inspector Moore's report references a particular span between Shelby poles No. 9746 and No. 9747, crossing a rural, residential "front" yard. While apparently no physical measurement of the actual ground clearance of these conductors was made by either Inspector Moore or by Shelby personnel (David Martin and Wayne Anderson) it was evident by casual observation that these conductors were less than 14.5 feet above grade. Sufficient means to provide conductor tensioning was not being applied to the conductor for this to have occurred.

RESPONSE (2)


Actions taken to correct the deficiencies noted in this report included: immediately notifying Dobson personnel of the situation of NESC violations, particularly relative to the minimum ground clearance violation in the span between poles no. 9746 and no. 9747. This was done on the afternoon of November 13, 2007 by Wayne Anderson and David Martin, within an hour after this was called to our attention by Inspector Moore. Corrective action was taken by Dobson personnel immediately upon notice. Subsequently, conductor stringing operations by Dobson were halted until such time that Dobson could provide means of effectively bonding new conductors in stringing operations to the existing distribution system's effectively grounded neutral (namely use of mechanical, "traveling" grounds). After Shelby became aware of the safety violations, Debbie Martin, President & CEO of Shelby sent James D. Dobson the attached letter (Attachment 2-1), dated November 27, 2007, pointing out the safety violations and reminding him Dobson must abide by the NESC at all times. Subsequently, the attached letter (Attachment 2-2), dated December 20, 2007, from the cooperative's attorney, Donald T. Prather, was sent to Dobson placing it on probation, a future violation of which would result in the cancellation of the Dobson contract after the required twenty (20) day notice.

RESPONSE (3)

Additional action taken by Shelby to prevent potential reoccurrence of these or similar deficiencies includes: 1) requiring Dobson personnel to undergo instruction and review of the NESC, particularly to the requirements relative to the work performed on electric distribution systems and provide Shelby with evidence of compliance, 2) requiring Dobson to supply and use equipment accepted by best industry practices to effectively bond new conductors installed during conductor stringing operations to the existing electric distribution system neutral. Dobson complied with this on December 19, 2007, 3) requiring Dobson to review all work practices with employees, particularly relative to the conductor stringing operation, and furthermore recommending that at all times during the conductor stringing operation that both the conductor pay-out (reel trailer) end and the conductor take-up (tensioner) end be manned and that additional employees as necessary be used throughout the ruling span of the "conductor pull" to observe the behavior of the new conductor being installed to assure that any problems or abnormal conditions are spotted and corrective action is initiated promptly. Constant communication between both "ends" of the operation and the intermediate "scouts" or observers will also be emphasized. Shelby's responsible person for this will be David Martin – Manager of Operations.

Attached is a certification of compliance (Attachment 3-1) signed by James D. Dobson concerning the preventive actions implemented by Shelby, and a safety meeting roster provided by Dobson, dated January 29, 2008, indicating a topic of NESC grounding procedures (Attachment 3-2).


Response Provided By: R. Wayne Anderson, VP & Manger of Engineering

Signature: 

Date: FEB. 20, 2008



Shelby Energy
Cooperative, Inc.

Your Touchstone Energy® Partner 

November 27, 2007

ATTACHMENT 2-1

James D. Dobson
Dobson Power Line Construction Co.
7696 Harrodsburg Road
Nicholasville, KY 40356

HAND DELIVERED

Dear Mr. Dobson:

This is written notice of what is considered violations of the National Electrical Safety Code as reported on November 13, 2007 at approximately 9:30.

First, a report of a low span of conductor on Vigo Road was made to Shelby Energy Cooperative on the above date. The span was observed by a representative of the Public Service Commission at approximately six (6) feet above the ground with no stationed guard of Dobson Power Line Construction within the area.

Next, the representative of the Public Service Commission reported an apparent absence of proper grounding on the new conductor being pulled in at the Vigo Road location. After review and discussion with managers of Shelby Energy's engineering and operations departments, it appears the method of grounding used by Dobson Power Line Construction did not meet the generally accepted criteria of the National Electrical Safety Code.

Effective immediately, public safety measures, grounding methods, and operation of electric lines by Dobson Power Line Construction will meet those established by the National Electrical Safety Code or all projects for Shelby Energy Cooperative will cease.

Sincerely,

Debbie Martin
President & CEO

c: David Martin
Wayne Anderson

www.shelbyenergy.com
620 Old Finchville Road • Shelbyville, Kentucky 40065-1714
Shelby Co. (502) 633-4420 • Trimble Co. (502) 255-3260 • Henry Co. (502) 845-2845

TOTAL P.02

DEBBIE.M@SHELBYENERGY.COM

**MATHIS, RIGGS & PRATHER, P.S.C.
ATTORNEYS AT LAW
500 MAIN STREET, SUITE 5
SHELBYVILLE, KENTUCKY 40065**

ATTACHMENT 2-2

**C. LEWIS MATHIS, JR.
T. SHERMAN RIGGS
DONALD. T. PRATHER
NATHAN T. RIGGS**

**TELEPHONE: (502) 633-5220
FAX: (502) 633-0667**

E-MAIL: mrp@iglou.com

December 20, 2007

Dobson Power Line Construction Co.

Attn: James D. Dobson
7696 Harrodsburg Road
Nicholasville, KY 40356

Re: Shelby Energy Cooperative, Inc.

Dear Mr. Dobson:

You were previously sent a letter dated November 27, 2007 by Debbie Martin, President and CEO, regarding two (2) violations of the National Electric Safety Code reported on November 13, 2007. Shelby Energy has received an additional report of a safety violation observed by an independent witness on Busey Lane on November 12, 2007, the date of the fatal accident involving Cosby Carroll. That witness observed a Dobson bucket truck moving forward with a person in the bucket and the bucket partially extended (in other words, not in the cradle position). This is a violation of applicable safety rules. While a bucket truck may be moved short distances with a person in the bucket while the bucket is in the cradle position, it cannot be moved with bucket boom being partially or fully extended.

You have been performing services for Shelby Energy pursuant to a contract dated November 21, 2006 for conversion and conductor replacement projects. Article IV, Section 1 requires Dobson Power to "at all times take reasonable precautions for the safety of employees on the work and of the public, and shall comply with all applicable provisions of federal, state, and local laws, rules, and regulations and building and construction codes." You are aware the National Electric Safety Code applies to your work under this contract. Subparagraph "D" of Section 1 further provides that you "shall provide and maintain all such guard lights and other protection for the public as may be required by all applicable statutes, ordinances and regulations or by local conditions."

You are hereby notified pursuant to Article IV, Section 1, paragraph "f" to immediately correct all present and future violations of the National Electric Safety Code and other applicable safety rules. In the event any future safety violations are observed, Shelby Energy will immediately direct the offending employee(s) to be removed from the project pursuant to Article II, Section 6, paragraph "b."

Additionally, please consider this notice under Article V, Section 1, that you are considered in default under the terms of the contract due to repeated recent safety violations. This is written

notice from Shelby Energy requiring Dobson Power Line Construction Co. to cause its employees to strictly comply with all safety rules and regulations in the future, including but not limited to the National Electric Safety Code. If any further significant violations of any safety regulations are observed, your services under the contract will be terminated twenty (20) days thereafter and Shelby Energy shall take over the construction of the project.

We regret to be forced to take these measures, but believe they are essential to the protection of your employees, the public, and Shelby Energy employees.

Yours truly,

MATHIS; RIGGS & PRATHER, P.S.C.

BY: _____
Donald T. Prather

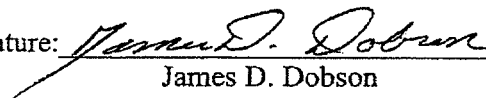
DTP/mew
Cc: Debbie Martin
dtp/shelby energy/psc/carroll/Dobson - letter

**Dobson Power Line Construction Company, Inc.
Certification of Compliance**

I, James D. Dobson of Dobson Power Line Construction Company, Inc. (Dobson) do hereby certify that I have read, understand, and will comply with the additional actions listed below to be taken on the behalf of Shelby Energy Cooperative, Inc. (Shelby) to prevent potential reoccurrence of deficiencies as reported in the deficiency tracking report dated November 13, 2007 and issued by Jeff Moore of the Kentucky Public Service Commission.

1. Dobson personnel to undergo instruction and review of the National Electric Safety Code, particularly to the requirements relative to the work they perform on electric distribution systems and provide Shelby with evidence of compliance.
2. Dobson to supply and use equipment accepted by best industry practices to effectively bond new conductors installed during conductor stringing operations to the existing electric distribution system neutral. This was complied with on December 19, 2007.
3. Dobson to review all work practices with employees, particularly relative to the conductor stringing operation, and furthermore recommending that at all times during the conductor stringing operation that both the conductor pay-out (reel trailer) end and the conductor take-up (tensioner) end be manned and that additional employees as necessary be used throughout the ruling span of the "conductor pull" to observe the behavior of the new conductor being installed to assure that any problems or abnormal conditions are spotted and corrective action is initiated promptly. Constant communication between both "ends" of the operation and the intermediate "scouts" or observers will also be emphasized. Shelby's responsible person for this will be David Martin, Manager of Operations.

Signature: _____


James D. Dobson

Date: 02-20-08

SAFETY MEETING ATTENDANCE ROSTER

Date: 1-29-08 Time: 8:00 A.M.

INSTRUCTOR: J.D. Dobson

TOPIC: NESC Grounding procedures

This certifies that the following employees received the above training:

Date	Print Name	Signature
<u>1-29-08</u>	<u>Kevin Thomas</u>	<u>Kevin Thomas</u>
<u>1-29-08</u>	<u>James D. Dobson</u>	<u>James D. Dobson</u>
<u>1-29-08</u>	<u>Ronnie Pierce</u>	<u>Ronnie Pierce</u>
<u>1-29-08</u>	<u>Justin Sparks</u>	<u>Justin Sparks</u>
<u>1-29-08</u>	<u>Luke Makowski</u>	<u>Luke Makowski</u>
<u>1-29-08</u>	<u>James Kiser</u>	<u>James Kiser</u>
<u>1-29-08</u>	<u>M. Price</u>	<u>M. Price</u>
<u>1-29-08</u>	<u>Chuck Venters</u>	<u>Chuck Venters</u>
<u>1-29-08</u>	<u>Billy Lane</u>	<u>Billy Lane</u>
<u>1-29-08</u>	<u>Josh Long</u>	<u>Josh Long</u>
<u>1-29-08</u>	<u>Roy Thomas</u>	<u>Roy Thomas</u>