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August 13, 2014

RECEIVED

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PUBLIC SERVICE
COMMISSION

Mr. Jeffrey Derouen
Executive Director
Kentucky Public Service Commission
P.O. Box 615
211 Sower Boulevard
Frankfort, KY 40602

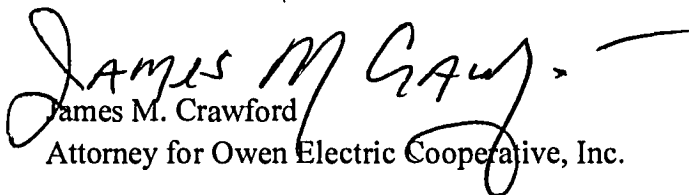
RE: PSC Case No. 2013-00230

Dear Mr. Derouen:

In accordance with paragraph 5 of the Commission's Order dated February 3, 2014 in the above-referenced case, please find enclosed for filing the second quarterly report detailing the continuous improvement teams' area of focus for the second quarter 2014 and changes instituted as a result of the teams' efforts.

Please contact me with any questions.

Very truly yours,


James M. Crawford
Attorney for Owen Electric Cooperative, Inc.

Enclosure

Owen Electric Cooperative, Inc.

Second Quarter 2014 Report—Continuous Improvement Teams' Focus and Changes Implemented

August 13, 2014

In accordance with the Commission's Order dated February 3, 2014 in Case No. 2013-00230, this report details the continuous improvement teams' area of focus for the second quarter 2014 and changes instituted as a result of the teams' efforts. As indicated in the first quarter report to the Commission, the first topic addressed by the Safety Continuous Improvement ("CI") team was Improving Field and Workplace Visits. Through August 8, members of the Executive Staff have conducted approximately 35 safety visits. These safety visits continue to be excellent learning opportunities for both executive staff and field employees.

On April 17, members of the Safety Steering Committee (Safety Team and Executive Staff) and other members of management who have played key roles on past process improvement teams met to discuss the next CI teams' topics—near miss reporting and member threats. These teams started their work in May.

Near Miss Reporting Team

The near miss reporting team is comprised of six field employees and one facilitator; this team has met four times between May 8, 2014 and the date of this report. The team has discussed the following: definition of a near miss; reasons for not reporting near misses; and effective methods of communicating, reporting, and documenting near misses. The near miss reporting team has prepared a first draft of a Guideline for Near Miss Reporting. This document is under review and finalization and will be included in the third quarter report to the Commission. The team met on August 12 to draft the form to be used to document near misses. A second near miss reporting team, comprised of office employees, will begin meeting in August.

Member Threats Team

In April 2014 the Safety Steering Committee formed a team of 5 employees to participate in a focus group to discuss threats from the general public, our membership, and company personnel. This focus group was comprised of employees from Operations, Member Services, and Corporate Services.

The team first meet on May 1 to discuss the objectives of the team and the direction the team should take in order to evaluate employee concerns related to member/public/employee threats. The team also discussed company policies related to safety and security. At its second meeting on May 8, the team continued discussions from the previous meeting and reviewed and edited a draft survey. The purpose of the survey was to obtain employees' feelings about workplace security. By May 27, the group had finalized the survey and cover letter and obtained approval from the executive team for release. On May 30, the company-wide survey was

dispersed with a requested due date of June 30 to provide adequate time for employees to complete and return. A copy of this survey, entitled Workplace Violence Survey, is provided as Exhibit 1 to this report.

The team compiled the survey results into an electronic format and reconvened on July 31 to discuss the initial analysis of the multiple choice responses and to categorize and summarize the open response questions. The team is in the process of preparing a final report for the Executive Team and the Safety Steering Committee which will cover the concerns discussed internally within this focus group and the results of the company-wide survey. The final report will be included in the third quarter report to the Commission.

EXHIBIT 1



Workplace Violence Survey

Please check the appropriate box(es):

Office Worker

Field Worker

Statement	Always 1	Frequently 2	Sometimes 3	Rarely 4	Never 5
Do you feel safe at your assigned work area?					
Do you feel that the building you report to is adequately protected?					
Do you feel that you have adequate training to handle hostile members?					
If you observe a change in behavior of a co-worker that is negative or concerning, are you comfortable to report your concerns:					
To your supervisor?					
To HR?					
Check one column	Yes		No		
Have you been verbally threatened while working?					
Did you Report it?					
Was it investigated promptly?					
Was it investigated to your satisfaction?					
Where did it occur?					
Check one column	Yes		No		
Have you been physically threatened while working?					
Did you report it?					
Was it investigated promptly?					
Was it investigated to your satisfaction?					
Where did it occur?					
During 2014 and 2013					
Experienced a violently aggressive member in office environment?					
Experienced a violently aggressive member in field environment?					
Were you fearful of a member or someone from the general public?					
During 2012					
Experienced a violently aggressive member in office environment?					
Experienced a violently aggressive member in field environment?					
Were you fearful of a member or someone from the general public?					

Definitions:

- Member - A current member of Owen Electric
- Employee/Cowork - a current Owen Electric Employee
- General Public/Public - any non active employee and non member

Additional Questions

1. In your opinion, what is the biggest threat to your personal (bodily injury) security during your work day:

2. In your opinion, how should Owen Electric address this threat? Up to and including any policy, procedural, and/or technological changes.

3. In your opinion, what is the second biggest threat to your personal (bodily injury) security during your work day:

4. In your opinion, how should Owen Electric address this threat? Up to and including any policy, procedural, and/or technological changes.

5. Please feel free to add any additional concerns for safety/security, both your physical safety and building security. If you wish to be contacted in reference to your responses and suggestions, please include your name on this survey.

4. In your opinion, how should Owen Electric address this threat? Up to and including any policy, procedural, and/or technological changes.

Optional:

If you would like a follow up interview with the Safety Focus Group conducting this survey please put your contact information below and a member of the team will contact you for a more detailed meeting.