

IT IS THEREFORE ORDERED that:

1. The Settlement Agreement, appended hereto, is incorporated into this Order as if fully set forth herein.

2. The terms and conditions set forth in the Settlement Agreement are adopted and approved.

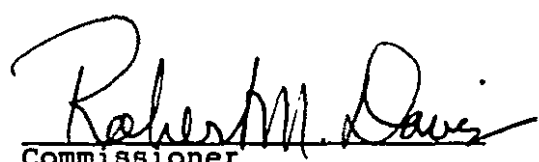
3. Leslie County shall pay the agreed penalty of \$500 within 10 days of the date of this Order by certified check or money order made payable to Treasurer, Commonwealth of Kentucky. Said check or money order shall be mailed or delivered to the Office of General Counsel, Public Service Commission, 730 Schenkel Lane, P. O. Box 615, Frankfort, Kentucky 40602.

Done at Frankfort, Kentucky, this 17th day of December, 1992.


PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|---------------------------------------|---|----------|
| LESLIE COUNTY TELEPHONE COMPANY, INC. |) | |
| _____ |) | |
| |) | CASE NO. |
| |) | 92-438 |
| ALLEGED FAILURE TO COMPLY WITH |) | |
| COMMISSION REGULATIONS 807 KAR 5:006 |) | |
| AND 807 KAR 5:061 |) | |

SETTLEMENT AGREEMENT

On October 22, 1992, the Commission entered a Show Cause Order for the alleged violation by Leslie County Telephone Company, Inc. ("Leslie County") of 807 KAR 5:006, Section 2, and 807 KAR 5:061, Section 3(1). On November 19, 1992, Leslie County and Commission Staff ("Staff") held an informal conference at which the findings of the Commission and the position of Leslie County were considered. Subsequent to the informal conference, counsel for Leslie contacted Staff and indicated that Leslie County desired to settle this case. Leslie county and Staff have agreed to the following in order to resolve all outstanding issues in this proceeding.

NOW, THEREFORE, BE IT RESOLVED:

1. Leslie County, a private corporation incorporated in the Commonwealth of Kentucky, engages in the conveyance of messages by telephone for the public for compensation, and is, therefore, a utility subject to the regulatory jurisdiction of the Commission.
2. Commission Regulation 807 KAR 5:006, Section 24, requires utilities to adopt and execute a safety program.

3. Commission Regulation 807 KAR 5:061, Section 3(1), adopts the National Electrical Safety Code, C2 1990 Edition.

4. On July 16, 1992, James R. Morton, Jr. ("Morton") was injured as a result of a pole falling while he was working on it. Morton suffered a broken pelvis, broken teeth, and leg and facial injuries.

5. At the time of the accident, Morton did not test the pole before climbing, nor did he secure the pole.

6. Morton, at the time of the accident, was an employee of Hamlet Construction, Inc.

7. In connection with a system-wide upgrade, Leslie County and Hamlet had entered into a contract which provided for Hamlet to furnish construction services.

8. Morton's failure to secure the pole prior to climbing is a violation of NESC Section 422B2 which requires that a pole be made safe by guying, bracing, or other means where there are indications that the pole may be unsafe.

9. Leslie County's Safety Code, Paragraph 3.23(c) and (h), requires an employee to test each pole before climbing and, when replacing an old pole that is unsafe to work on, to lash the new pole to the old.

10. Leslie County agrees to pay the sum of five hundred (\$500.00) dollars as a penalty for violation of the above cited regulations by James Morton, an employee of Hamlet Contractors, Inc., while working on the outside plant of Leslie County, which resulted in the accident of July 16, 1992.

11. This Settlement Agreement constitutes full satisfaction of any penalties arising out of this proceeding against Leslie County. Staff shall recommend to the Commission that this Settlement Agreement be approved and that this proceeding be closed and removed from the Commission's docket.

12. This Settlement Agreement is subject to the acceptance and approval of the Commission.

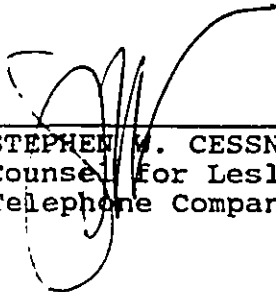
13. If the Commission fails to accept and approve the Settlement Agreement in its entirety, this proceeding shall go forward and neither of the terms of this Settlement Agreement nor any matters raised during settlement negotiations shall be binding on any signatory.

14. If the Commission accepts and approves this Settlement Agreement in its entirety and enters an Order in this proceeding to that effect, Leslie County shall not apply for rehearing in this proceeding nor bring an action for review of that Order.

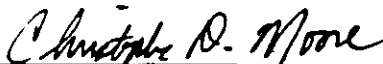
IN WITNESS WHEREOF, Leslie County and Staff have executed this Settlement Agreement through their duly authorized attorneys.

Dated this the 16th day of December, 1992.

AGREED TO BY:



STEPHEN W. CESSNA
Counsel for Leslie County
Telephone Company, Inc.



CHRISTOPHER D. MOORE
Staff Attorney for Kentucky
Public Service Commission