

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

INVESTIGATION INTO ELECTRIC UTILITIES') ADMINISTRATIVE
EMERGENCY RESPONSE PLANS) CASE NO. 345

O R D E R

The Commission initiated this proceeding to consider whether electric utilities should be required to have plans detailing how they should respond to emergencies affecting their facilities or services. On October 13, 1992, the Commission directed that all jurisdictional electrical utilities file their existing emergency response plans and comment on whether such plans should be required and, if so, the minimum criteria they should contain. All 29 electrical utilities filed a response. On November 2, 1992, the Commission granted the Attorney General of the Commonwealth of Kentucky, by and through his Utility and Rate Intervention Division, full intervention as a party.

Of the 29 responding utilities, only 7 currently do not have a written plan. A majority of the utilities agreed that the Commission should require each electric utility to have a written plan. Two objections to the proposed requirement were that the size and territory of each electric utility are unique and that it would be expensive for the smaller utilities. The Commission believes that a written plan is obviously more effective than unwritten procedures because it increases the preparedness of utilities for emergencies. If a utility is prepared when an

emergency occurs, it is better able to restore service safely and quickly. A written plan also aids in coordinating efforts among utility employees who respond to an emergency as well as efforts between utility employees and other governmental agencies which respond to emergencies. This coordination in effect results in greater efficiency in bringing together the necessary resources to deal with the emergency. The Commission is convinced that the benefits to the public that will result from requiring said plans outweigh the concerns cited by some utilities. Hence, the Commission finds that each jurisdictional electric utility should be required to have a plan detailing how it should respond to emergencies affecting its facilities or services.

A majority of the utilities asserted that the Commission should not establish any minimum criteria for the plan. The two most significant objections raised by the utilities were the need for flexibility, as each emergency and each utility are unique, and the potential for increased risk of tort liability.

The Commission believes that the argument concerning increased liability is unpersuasive. Most utilities have already adopted plans and the promulgation of minimum standards seems unlikely to increase any liability which might otherwise attach to a utility's failure to follow its plan.

Nor is the Commission persuaded that minimum standards would work a hardship upon utilities because of their diversity. However, utilities making a good faith effort to implement meaningful emergency response plans that are in the best interest

of their employees and customers will in all likelihood exceed minimum standards of universal applicability. Therefore, the Commission declines to adopt minimum standards for emergency response plans at this time. The Commission may, upon receipt and review of all plans, find it necessary to address this issue again in a further proceeding.

Having reviewed the utilities' responses and being otherwise sufficiently advised, the Commission HEREBY ORDERS that:

1. No later than May 1, 1993, each utility furnishing electric service under the jurisdiction of the Commission shall file with the Commission its current plan detailing how it should respond to emergencies affecting its facilities or services.

2. The Commission shall review such plans and comment on such plans to the extent found necessary.

3. All utilities that filed said plans pursuant to the October 13, 1992 Order of the Commission shall be considered in compliance with this Order provided no revisions to said emergency response plans have been or will be made by May 1, 1993.

4. After May 1, 1993, each utility furnishing electric service under the jurisdiction of the Commission shall biennially file with the Commission its current emergency response plan. If said plan has not been revised within the biennial period, the utility may, in the alternative, file with the Commission notice of that fact.

Done at Frankfort, Kentucky, this 1st day of March, 1993.

PUBLIC SERVICE COMMISSION

Chairman

Vice Chairman

Commissioner

ATTEST:

Executive Director