

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

SOUTH KENTUCKY RURAL ELECTRIC)
COOPERATIVE CORPORATION)
)
_____) CASE NO. 94-519
)
ALLEGED VIOLATIONS OF COMMISSION)
REGULATIONS 807 KAR 5:006 AND 807 KAR 5:041)

O R D E R

On December 21, 1994, the Commission ordered South Kentucky Rural Electric Cooperative Corporation ("South Kentucky RECC") to show cause why it should not be subject to the penalties of KRS 278.990 for alleged violations of Commission Regulations 807 KAR 5:006, Section 24, and 807 KAR 5:041, Section 3(1).

Following the commencement of this proceeding, South Kentucky RECC and Commission Staff entered into negotiations to resolve all disputed issues. On August 13, 1996, they executed a Settlement Agreement, which is appended hereto, and subsequently submitted it for Commission approval.

In reviewing this Settlement Agreement, the Commission has considered, inter alia, the seriousness of the violations and South Kentucky RECC's willingness to remedy the violations.

After reviewing the Settlement Agreement and being otherwise sufficiently advised, the Commission finds that the Settlement Agreement is in accordance with the law, does

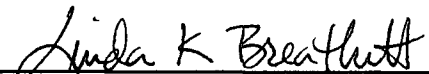
not violate any regulatory principle, results in a reasonable resolution of this case and is in the public interest.

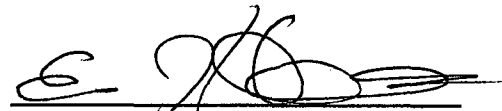
IT IS THEREFORE ORDERED that:

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. South Kentucky RECC is assessed a penalty of One Thousand Seven Hundred and Fifty (\$1,750) Dollars.
4. South Kentucky RECC shall pay the assessed penalty within 10 days of the date of this Order by check made payable to Treasurer, Commonwealth of Kentucky. Said check shall be mailed or delivered to the Office of General Counsel, Public Service Commission of Kentucky, 730 Schenkel Lane, P. O. Box 615, Frankfort, Kentucky.

Done at Frankfort, Kentucky, this 23rd day of August, 1996.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

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SETTLEMENT AGREEMENT

THIS AGREEMENT is made and entered this 13th day of August 1996, by and between the STAFF OF THE PUBLIC SERVICE COMMISSION OF KENTUCKY ("Commission Staff") and SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION ("South Kentucky RECC").

WITNESSETH:

THAT, WHEREAS, the Commission Staff issued an Electrical Utility Accident Investigation Report dated June 6, 1994 ("Investigation Report") detailing its investigation of an incident which occurred on February 14, 1994 involving South Kentucky RECC facilities in Wayne County, Kentucky; and,

WHEREAS, Commission Staff in its Investigation Report found that South Kentucky RECC employees had failed to comply with the provisions of National Electrical Safety Code ("NESC") and had failed to execute and enforce South Kentucky RECC safety rules and that these failures constituted a probable violation of Public Service

Commission Regulations 807 KAR 5:006, Section 24, and 807 KAR 5:041, Section 3(1); and,

WHEREAS, on December 21, 1994, the Public Service Commission found that prima facie evidence existed that South Kentucky RECC had failed to comply with Public Service Commission Regulations 807 KAR 5:006, Section 24, and 807 KAR 5:041, Section 3(1); and,

WHEREAS, on December 21, 1994, the Public Service Commission ordered South Kentucky RECC to show cause why it should not be subject to the penalties of KRS 278.990 for its alleged violations of Commission Regulations 807 KAR 5:006, Section 24, and 807 KAR 5:041, Section 3(1); and,

WHEREAS, South Kentucky RECC and Commission Staff stipulate that:

1. On February 14, 1994, Ricky Bowling was injured while performing repairs near an energized 7200 volt line in the Conley Bottom Resort Area of Wayne County, Kentucky. Bowling came into contact with the 7200 volt line and suffered burns to his hands.
2. At the time of the incident, Bowling, Jerry New, Jeff Perkins, Norman Hargis, Ray Glen Dick, and Lewis East were repairing utility facilities which had been damaged during an ice storm.
3. Before beginning the repair work, Bowling did not test the 7200 volt line to determine if it was de-energized nor did he cover the line with a protective device.
4. At the time of the incident, Bowling was not wearing protective clothing or using protective equipment.
5. At the time of the incident, Bowling, New, Perkins, Hargis, and Dick were employees of South Kentucky RECC and acting within the scope of their employment.
6. At the time of the incident, East was in charge of the work crew.
7. NESC 420D requires employees to consider electric supply equipment and lines to be energized, unless they are positively known to be de-

energized. It further requires that employees, before starting work, to perform preliminary inspections or tests to determine existing conditions.

8. American Public Power Association Safety Manual (Eighth edition) ("APPA") Rule 502a prohibits employees from touching or working on any energized lines or apparatus except when wearing approved protective equipment approved for the voltage to be contacted.
9. APPA Rule 502b requires that, when work is to be done on or near energized lines, all energized and grounded conductors or guy wires within reach of any part of the body while working shall be covered with rubber protective equipment, except that part of the conductor on which the employee is to work.
10. South Kentucky RECC has adopted the APPA as part of its safety program.
11. Bowling failed to comply with NESC Sections 420D and APPA Rules 502a and 502b.
12. East failed to see that all safety and operating procedures were observed by those under his direction. His failure is a violation of NESC Rule 421A which requires a person in charge to adopt such precautions as are within his authority to prevent accidents and to see that all safety rules and operating procedures are observed by those under his direction.
13. As a result of the failures of its employees to comply with the NESC, South Kentucky RECC violated Commission Regulation 807 KAR 5:041, Section 3.
14. As a result of the failures of its employees to enforce its safety rules, South Kentucky RECC violated Commission Regulation 807 KAR 5:006, Section 24.

WHEREAS, South Kentucky RECC and Commission Staff desire to settle the issues raised by this proceeding.

NOW, THEREFORE, South Kentucky RECC and Commission Staff agree that:

1. Within 10 days after the entry of an Order approving this Settlement Agreement, South Kentucky RECC shall pay to the Commonwealth of Kentucky a civil

penalty of Seventeen Hundred and Fifty Dollars (\$1,750.00). This payment shall be in the form of a check made payable to "Treasurer, Commonwealth of Kentucky" and shall be mailed or delivered to: Office of General Counsel, Public Service Commission of Kentucky, 730 Schenkel Lane, Post Office Box 615, Frankfort, Kentucky 40602.

2. This Settlement Agreement resolves all issues arising out of the February 14, 1994 incident.

3. This Agreement is subject to the acceptance of and approval by the Public Service Commission.

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

5. If the Public Service Commission accepts and adopts this Settlement Agreement in its entirety and enters an order in this proceeding to that effect, South Kentucky RECC shall not apply for rehearing in this proceeding nor bring an action for review of that order.

IN WITNESS WHEREOF, South Kentucky RECC and Commission Staff have executed this Settlement Agreement the day and year first above written by and through their duly authorized attorneys.

STAFF OF PUBLIC SERVICE COMMISSION
OF KENTUCKY

BY: *Gerald B. White*

TITLE: *Staff Attorney*

SOUTH KENTUCKY RURAL ELECTRIC CO-
OPERATIVE CORPORATION

BY: *Keith S. Sloman*

TITLE: *General Manager / CEO*