

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

MEADE COUNTY RURAL ELECTRIC)
COOPERATIVE CORPORATION)
_____) CASE NO. 97-493
ALLEGED FAILURE TO COMPLY WITH)
COMMISSION REGULATION 807 KAR)
5:041, SECTION 3)

O R D E R

By Order dated December 12, 1997, the Commission initiated this proceeding against Meade County Rural Electric Cooperative Corporation ("Meade County") for five alleged violations of Commission Regulation 807 KAR 5:041, Section 3(1), which requires utilities to construct and maintain their facilities in accordance with the National Electrical Safety Code ("NESC"). The alleged violations were noted in a Utility Accident Investigation Report ("Report") prepared by Commission Staff and appended to the December 12, 1997 Order.

The Report discusses the facts and circumstances surrounding an accident that occurred on May 19, 1997 on Grady Frymire Road, Stephensport, Kentucky. A Meade County employee received an electrical shock resulting in burns to his left hand while repairing a downed, single phase 7,200 volt overhead line. At the time of the accident, the injured employee was wearing neither his protective rubber gloves nor the proper fire retardant clothing, and the line he was attempting to repair was not grounded.

At the request of Meade County, the hearing scheduled in this case was canceled and an informal conference convened. Subsequent to the informal conference, Meade

County and Commission Staff entered into a Stipulation of Facts and Agreement ("Stipulation"), which was filed in the record on March 27, 1997 and is attached hereto as Appendix A. The Stipulation sets forth the operative facts surrounding the accident and the subsequent remedial actions taken by Meade County, including the expenditure of almost \$9,000 to purchase additional equipment to be carried on its service and line trucks.

In determining whether the results of the Stipulation are in the public interest and are reasonable, the Commission has taken into consideration the comprehensive nature of the Stipulation and the remedial actions taken by Meade County. Based on the evidence of record and being otherwise sufficiently advised, the Commission finds that the Stipulation is in accordance with the law and does not violate any regulatory principle. The Stipulation is the product of serious, arms-length negotiations among capable, knowledgeable parties, is in the public interest, and results in a reasonable resolution of all issues in this case.

IT IS THEREFORE ORDERED that:

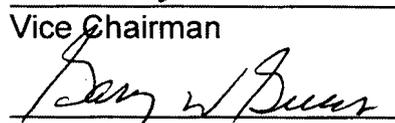
1. The Stipulation set forth in Appendix A is adopted and approved in its entirety as a complete resolution of all issues in this case.
2. This case is closed.

Done at Frankfort, Kentucky, this 14th day of April, 1998.

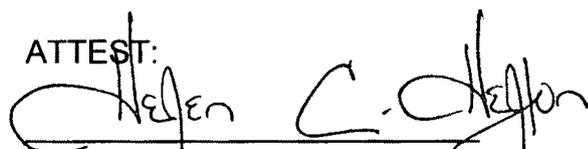
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

AN APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC
SERVICE COMMISSION IN CASE NO. 97-493 DATED 4/14/98
COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

MEADE COUNTY RURAL ELECTRIC)
COOPERATIVE CORPORATION ALLEGED) CASE NO. 97-493
FAILURE TO COMPLY WITH COMMISSION)
REGULATION 807 KAR 5:041, SECTION 3)

STIPULATION OF FACTS AND AGREEMENT

Meade County Rural Electric Cooperative Corporation ("Meade County") is a Kentucky corporation engaged in the distribution of electricity for compensation for lights, heat, power, and other uses, and is a utility subject to Commission jurisdiction.

On May 19, 1997, five employees of Meade County, including a foreman, were repairing a downed single-phase 7,200 volt overhead line on Grady Frymire Road, Stephensport, Kentucky. One of the employees, John Crosier, was on a pole adjacent to the broken phase wire while the other employees were on the ground splicing the broken phase wire. After completing the splice, the phase wire was pulled up to Mr. Crosier. Upon contacting the phase wire, Mr. Crosier received an electrical shock resulting in burns to his left hand. At the time of the incident, Mr. Crosier was wearing neither his protective gloves, nor the proper fire retardant clothing, and the line he was attempting to repair was not grounded.

Commission Staff conducted an investigation of the accident and issued a Utility Accident Investigation Report ("Report"), dated August 6, 1997. The Report notes five probable violations of Commission regulation, 807 KAR 5:041, Section 3(1), all arising under the NESC 1990 Edition as follows:

1. Rule 420 H - Failure to use personal protective equipment.
2. Rule 430.1 - Failure to wear clothing suitable for the assigned tasks and work environment.
3. Rule 421.A.1 - Failure of first level supervisor to adopt such precautions as are within his authority to prevent accidents.
4. Rule 421.A.2 - Failure of first level supervisor to see that safety rules and operating procedures are observed by employees under his direction.
5. Rule 444.D - Failure to ground the line which is being worked on.

By order December 12, 1997, the Commission initiated this proceeding against Meade County and ordered it to show cause, if any it can, why it should not be subject to the penalties of KRS 278.990 for the five alleged violations noted in the Report which was appended to the Order. In response to that Order, Meade County filed an answer which states that it agrees with the facts set forth in the Report.

Subsequent to the May 19, 1997 accident, Meade County took the following remedial actions:

1. Safety meetings were held with all operations employees.
2. Meade County's safety committee was reorganized so that its membership included a cross-section of all functional areas of the utility and written policies were developed to authorize the safety committee to impose penalties for safety evaluations.
3. After consultation with its safety and training coordinator, Meade County agreed to purchase additional equipment to be carried on its service and line trucks at a cost of \$8,951, as shown in the attached letter dated February 6, 1998.

4. Employee uniforms, previously cleaned by the employees themselves, are now cleaned by Meade County.

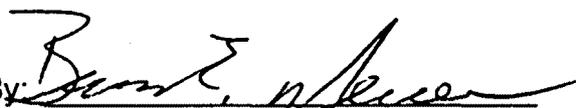
5. Efforts are underway to revise the existing safety incentive program to improve the incentives.

In an effort to resolve this case in a cost-effective and efficient manner, Meade County acknowledges that the facts set forth in the Staff Report will support a finding that the five NESC rules enumerated in the December 12, 1997, Order were violated. In consideration of the substantial remedial actions taken by Meade County and the expenditure of almost \$9,000 in additional safety equipment, Staff agrees that no civil penalty should be assessed for the cited violations.

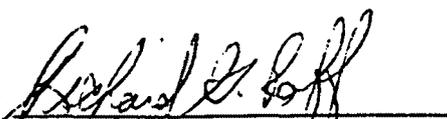
This stipulation is for use in PSC Case No. 97-493 only, and neither party hereto shall be bound by any part of the stipulation in other proceeding, except that this stipulation may be used in any proceeding between the Public Service Commission and Meade County. Meade County waives its right to a hearing and will not contest the Commission's Show Cause Order of December 12, 1997, if the Commission approves this stipulation and accepts the recommendation that no civil penalty be assessed in recognition of the significant remedial actions taken by Meade County.

Agreed to this 26th day of FEBRUARY, 1998.

MEADE COUNTY RURAL ELECTRIC
COOPERATIVE COOPERATION

By: 
Burns E. Mercer
Manager

PUBLIC SERVICE COMMISSION

By: 
Richard G. Raff
Its Counsel