

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

LOUISVILLE GAS AND ELECTRIC COMPANY	)	
_____	)	CASE NO. 99-002
	)	
FAILURE TO COMPLY WITH COMMISSION	)	
REGULATIONS 807 KAR 5:006, SECTION 26(1)(A)	)	
AND 807 KAR 5:041, SECTION 3(1)	)	

O R D E R

By Order dated January 15, 1999, the Commission directed Louisville Gas and Electric Company ( LG&E ) to appear at a hearing on February 24, 1999 to show cause why it should not be subject to the penalties provided for under KRS 278.990 for the probable violation of Commission Regulation 807 KAR 5:006, Section 26(1)(a), which requires a utility to notify the Commission within two hours following discovery of any utility-related accident which results in death or injury requiring medical treatment, and three probable violations of 807 KAR 5:041, Section 3(1), which requires utility facilities to be maintained in accordance with the National Electric Safety Code, 1990 Edition ( NESC ). The cited violations of the NESC include Section 42, Rule 420H, which requires utility employees to use the personal protective equipment and devices provided for their work; Section 42, Rule 421A, which requires the first level supervisor or person in charge to adopt such precautions as are within the individual s authority to prevent accidents and to see that the safety rules and operating procedures are observed by the employees under the direction of this individual; and Section 44, Rule 444D, which requires an employee working on de-energized circuits to immediately

proceed to make the employee's own protective grounds or verify that adequate grounds have been applied on the disconnected lines or equipment.

The probable violations arose from a July 23, 1998 accident in Jefferson County, Kentucky, involving an LG&E employee, William E. Hundley. Mr. Hundley was working on an energized primary lead to a subgrade transformer when the lead arced to a metal protective grading. Mr. Hundley received a flash burn to his right arm and was hospitalized.

At LG&E's request, the hearing was held in abeyance and an informal conference was convened on March 10, 1999 to provide an opportunity to discuss the operative facts surrounding the accident. As a result of the discussions at the informal conference, LG&E and Staff entered into a Stipulation of Facts and Agreement ( Stipulation ), which was filed in the record on May 24, 1999. This Stipulation, attached hereto as Appendix A, provides that the facts as set forth in the Staff's Utility Accident Investigation Report, appended to the Commission's January 15, 1999 Order, accurately presents the facts relevant to this proceeding, discusses the changes in operating procedures initiated by LG&E when work is to be performed on subgrade transformers, and details the additional equipment and training provided to employees with respect to working on subgrade transformers. In addition, LG&E has agreed to pay a civil penalty in the amount of \$6,000 in full settlement of this proceeding.

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 LG&E's willingness to cooperate to achieve a speedy resolution of this case. Based on the evidence of record and being sufficiently advised, the

Commission hereby finds that the Stipulation is in accordance with the law and does not violate any regulatory principal. The Stipulation is the product of 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 is adopted and approved in its entirety as a complete resolution of all issues in this case.

2. LG&E shall pay \$6,000 as a civil penalty within 30 days of the date of this Order by certified check or money order made payable to the Kentucky State Treasurer and mailed or delivered to the Office of General Counsel, Public Service Commission, 730 Schenkel Lane, Frankfort, Kentucky.

Done at Frankfort, Kentucky, this 30<sup>th</sup> day of July, 1999.

By the Commission

ATTEST:

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Executive Director