

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

SHELBY ENERGY COOPERATIVE, INC.)	
)	
_____)	CASE NO.
)	99-125
FAILURE TO COMPLY WITH COMMISSION)	
REGULATION 807 KAR 5:041, SECTION 3(1))	

O R D E R

By order dated April 6, 1999, the Commission directed Shelby Energy Cooperative, Inc. (Shelby Energy) to appear at a hearing on May 4, 1999 to show cause why it should not be subject to the penalties provided for under KRS 278.990 for three probable violations of Commission Regulation 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). More specifically, the cited NESC violations were of Section 42, Rule 420.H, which requires utility employees to use the personal protective equipment and devices provided for their work; Section 42, Rule 421.A, which requires the first line 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 441.A, which requires employees to maintain a specified minimum distance from energized lines, unless the employee or the lines is insulated.

The probable violations arose from a November 12, 1998 accident in Pendleton, Kentucky. A Shelby Energy employee was working in an aerial bucket when he

contacted a 7200 volt overhead cut out assembly and was fatally injured. At Shelby Energy's request, the hearing was held in abeyance and an informal conference was convened to provide an opportunity to discuss the operative facts surrounding the accident. Shelby Energy appeared at the conference and the discussion with Commission Staff resulted in the filing of a Stipulation of Facts and Agreement (Stipulation) on September 10, 1999.

The Stipulation, attached hereto as Appendix A and incorporated herein by reference, sets forth the relevant facts surrounding the accident, discusses the significant remedial measures taken by Shelby Energy since that time, and provides for Shelby Energy to pay a civil penalty in the amount of \$4000 in full satisfaction of the probable violations.

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 settlement and Shelby Energy's willingness to cooperate to achieve a speedy resolution of this proceeding. 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 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. Shelby Energy shall pay \$4000 as a civil penalty within 30 days of the date of this order by certified check or money order payable to the Kentucky State Treasurer and mailed or delivered to the Office of General Counsel, Public Service Commission, 730 Schenkel Lane, Frankfort, Kentucky 40601.

Done at Frankfort, Kentucky, this 12th day of October, 1999.

By the Commission

ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE
KENTUCKY PUBLIC SERVICE COMMISSION

IN CASE NO. 99-125

DATED OCTOBER 12, 1999