

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

TAYLOR COUNTY RURAL ELECTRIC)
COOPERATIVE CORPORATION)
_____))
ALLEGED FAILURE TO COMPLY WITH) CASE NO. 1998-247
ADMINISTRATIVE REGULATION 807 KAR 5:041,)
SECTION 3)

ORDER

On May 12, 1998, the Commission directed Taylor County Rural Electric Cooperative Corporation ("Taylor County RECC") to appear before us and show cause why it should not be penalized pursuant to KRS 278.990(1) for its alleged violations of Commission Regulation 807 KAR 5:041, Section 3. Upon Taylor County RECC's motion, the Commission ordered this proceeding be held in abeyance pending the outcome of judicial proceedings on the Commission's authority to assess a penalty against an electric utility for the failure of its contractors to operate and maintain the electric utility's facilities in accordance with Commission regulations.

When the courts of this Commonwealth had ascertained the scope and nature of the Commission's authority,¹ we on September 27, 2001 ordered the resumption of these proceedings. Shortly thereafter, Taylor County RECC and Commission Staff entered into negotiations to resolve all outstanding issues in this proceeding. On November 27, 2001, they executed a Settlement Agreement, appended hereto, and jointly moved for Commission approval of that Agreement.

¹ Public Service Commission v. Jackson County Rural Electric Cooperative, Inc., Ky.App., 50 S.W.3d 764 (2000).

In reviewing this Settlement Agreement, the Commission has considered the circumstances surrounding the October 30, 1996 incident. 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. Within 10 days of the date of this Order, Taylor County RECC shall pay to the Commonwealth of Kentucky the sum of Five Thousand Two Hundred Fifty (\$5,250) Dollars. This payment shall be in the form of a cashier's or certified check made payable to "Treasurer, Commonwealth of Kentucky" and shall be mailed or delivered to: Office of General Counsel, Public Service Commission of Kentucky, 211 Sower Boulevard, Post Office Box 615, Frankfort, Kentucky 40602.

4. This case is closed and shall be removed from the Commission's docket.

Done at Frankfort, Kentucky, this 21st day of December, 2001.

By the Commission

ATTEST:


Executive Director

APPENDIX A
AN APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 1998-247 DATED December 21, 2001

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

In the Matter of:

NOV 27 2001

TAYLOR COUNTY RURAL ELECTRIC
COOPERATIVE CORPORATION

PUBLIC SERVICE
COMMISSION

)
)
) CASE NO. 1998-247
)
)

ALLEGED VIOLATIONS OF ADMINISTRATIVE
REGULATION 807 KAR 5:006 AND 807 KAR 5:041

SETTLEMENT STIPULATIONS

THIS AGREEMENT is made and entered into this 21st day of November, 2001, by and between the Staff of the Public Service Commission of Kentucky ("Commission Staff") and Taylor County Rural Electric Cooperative Corporation ("Taylor County RECC").

WITNESSETH:

THAT, WHEREAS Taylor County RECC is an electric distribution cooperative corporation, organized pursuant to applicable Kentucky statutes, that owns and operates facilities used in the distribution of electricity to the public for compensation for light, heat, power, and other uses; and,

WHEREAS, on October 30, 1996, Phillip Walker was injured as he installed Taylor County RECC electric distribution facilities in Green County, Kentucky; and,

WHEREAS, at the time of the incident, Charles Dwayne Walker was the first line supervisor at the work site; and,

WHEREAS, at the time of the incident, Philip Walker and Charles Dwayne Walker, were employees of Bluegrass Electrical Construction, Inc., and were acting within the scope of their employment; and,

WHEREAS, at the time of the incident Bluegrass Electrical Construction, Inc. was performing construction and maintenance activities pursuant to a "Distribution Line Extension Construction Contract" that it has entered with Taylor County RECC;

WHEREAS, Commission Staff investigated the incident and on April 13, 1998, issued a Utility Accident Investigation Report on the incident; and,

WHEREAS, in its Utility Accident Investigation Report Utility Accident Investigation Report, Commission Staff found that Philip Walker and Charles Dwayne Walker had violated certain provisions of the National Electrical Safety Code (1990 edition) ("NESC"); and,

WHEREAS, on May 12, 1998, the Public Service Commission entered an order establishing this case and directing Taylor County RECC to show cause why it should not be subject to the penalties under KRS 278.990(1) relating to this incident; and,

WHEREAS, on July 1, 1998, Taylor County RECC, by counsel, filed its response to the Commission's Order of May 12, 1998; and,

WHEREAS, Taylor County RECC and Commission Staff desire to settle the issues raised by this proceeding and have entered into this Settlement Agreement through compromise to settle the proceeding.

NOW, THEREFORE, Taylor County RECC and Commission Staff agree that:

1. Within 10 days after the entry of an Order approving this Settlement Agreement, Taylor County RECC shall pay to the Commonwealth of Kentucky the sum of Fifty-Two Hundred and Fifty (\$5,250) Dollars. This payment shall be in the form of a cashier's or certified check made payable to "Treasurer, Commonwealth of Kentucky" and shall be mailed or delivered to: Office of General Counsel, Public Service Commission of Kentucky, 211 Sower Blvd, Frankfort, Kentucky 40602.

2. Nothing contained herein shall be construed as an admission of a willful violation of any statute, administrative regulation or any provision of the NESC nor shall the Public Service Commission's acceptance of this agreement be construed as a finding of a willful violation of any statute, administrative regulation or any provision of the NESC.

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

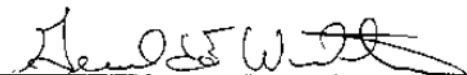
4. If the Public Service Commission fails to accept and approve this Settlement Agreement in its entirety, this proceeding shall go forward and neither the terms of this Settlement Agreement nor any matters raised during settlement negotiations shall be binding on either signatory or be construed against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

5. Commission Staff shall recommend to the Public Service Commission that this Settlement Agreement be accepted and approved.

6. If the Public Service Commission accepts and adopts this Settlement Agreement in its entirety and enters an Order in this proceeding to that effect, Taylor County RECC shall not apply for rehearing in this proceeding nor bring an action for review of the Order in Franklin Circuit Court.

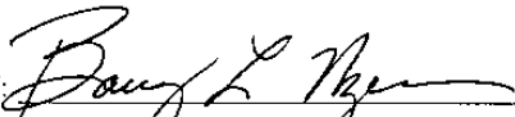
IN WITNESS WHEREOF, Taylor County RECC and Commission Staff have executed this Settlement Agreement the day and year first above written by and through their duly authorized attorneys.

STAFF OF PUBLIC SERVICE COMMISSION
OF KENTUCKY

BY: 

TITLE: Asst. General Counsel

TAYLOR COUNTY RECC

BY: 

TITLE: Manager