

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

GRAYSON RURAL ELECTRIC	)	
COOPERATIVE CORPORATION	)	
_____	)	CASE NO. 98-590
	)	
ALLEGED FAILURE TO COMPLY WITH	)	
ADMINISTRATIVE REGULATION	)	
807 KAR 5:041	)	

O R D E R

Grayson Rural Electric Cooperative Corporation (“Grayson RECC”) is a Kentucky corporation that owns and operates facilities used in the distribution of electricity to the public for compensation for lights, heat, power and other uses.

Grayson RECC is subject to the safety jurisdiction of the Commission pursuant to KRS 278.010 and 279.210.

On November 24, 1998, the Public Service Commission entered an Order establishing this case and directing Grayson RECC to show cause why it should not be subject to the penalties of KRS 278.990 relating to a Utility Accident Investigation Report dated September 29, 1998.

Grayson RECC filed a Response on December 9, 1998 in which it responded to each allegation and requested an informal conference with Commission Staff. Since then, this case has been held in abeyance pending the court decision in PSC v. Jackson County RECC, Ky. App., 50 S.W.3d 764 (2000).

On September 27, 2001, an Order was issued scheduling this case for a formal hearing with a provision for an informal conference with Commission Staff. On

November 2, 2001, an informal conference was held pursuant to the request of Grayson RECC. During the informal conference, Grayson RECC and Commission Staff entered into negotiations to resolve all outstanding issues in this proceeding. A Settlement Agreement, appended hereto, was executed for Commission approval.

In reviewing this Settlement Agreement, the Commission has considered the circumstances surrounding the alleged violations and the efforts of Grayson RECC to comply with the Commission's safety regulations.

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. No formal hearing shall be held in this case.
2. The Settlement Agreement, appended hereto, is incorporated into this Order as if fully set forth herein.
3. The terms and conditions set forth in the Settlement Agreement are adopted and approved.
4. Upon the payment of the penalty as set out in the Settlement Agreement, this case shall be removed from the Commission's docket.

Done at Frankfort, Kentucky, this 26<sup>th</sup> day of November, 2001.

By the Commission

ATTEST:

  
Executive Director

# **APPENDIX**

APPENDIX TO AN ORDER OF THE  
KENTUCKY PUBLIC SERVICE COMMISSION

IN CASE NO. 98-590

DATED

NOVEMBER 26, 2001

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

GRAYSON RURAL ELECTRIC )  
COOPERATIVE CORPORATION )  
\_\_\_\_\_ )  
ALLEGED FAILURE TO COMPLY WITH )  
ADMINISTRATIVE REGULATION )  
807 KAR 5:041 )

CASE NO. 98-590

**SETTLEMENT AGREEMENT**

THIS AGREEMENT is made and entered into this 2<sup>nd</sup> day of November, 2001, by and between the STAFF OF THE PUBLIC SERVICE COMMISSION OF KENTUCKY ("Commission Staff") and GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION ("Grayson RECC").

WITNESSETH

WHEREAS, Grayson RECC is a Kentucky corporation that owns and operates facilities used in the distribution of electricity to the public for compensation for lights, heat, power and other uses; and

WHEREAS, Grayson RECC is subject to the safety jurisdiction of the Commission, pursuant to KRS 278.010 and 279.210; and

WHEREAS, on November 24, 1998, the Public Service Commission entered an Order establishing this case and directing Grayson RECC to show cause why it should not be subject to the penalties of KRS 278.990 relating to a Utility Accident Investigation Report dated September 29, 1998; and

WHEREAS, on December 9, 1998, Grayson RECC, by counsel, filed its response to the Commission's Order and, by agreement, this case was held in abeyance pending the ruling of the Kentucky Court of Appeals in Public service Commission v. Jackson County Rural Electric Cooperative Corporation, Ky.App., 50 S.W.3d 764 (2000); and

WHEREAS, Grayson RECC and Commission Staff held an informal conference on November 2, 2001, and Grayson RECC and Commission Staff desire to settle the issues raised in this proceeding and have entered into this Settlement Agreement through compromise.

NOW THEREFORE, Grayson RECC and Commission Staff agree that:

1. Grayson RECC waives a formal hearing in this case.
2. Within 10 days after the entry of an Order approving this Settlement Agreement, Grayson RECC shall pay to the Commonwealth of Kentucky the sum \$1,750. This payment shall be in the form of a cashier's check made payable to the Kentucky State Treasurer, and shall be mailed or delivered to the Office of General Counsel, Public Service Commission of Kentucky, 211 Sower Boulevard, Post Office Box 615, Frankfort, Kentucky 40602.
3. Grayson RECC acknowledges that NESC Rule 420H requires the use of personal protective equipment.
4. 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.

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

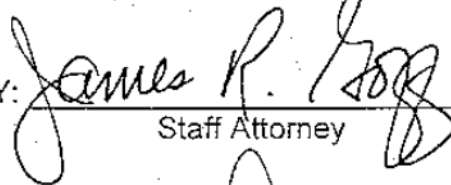
6. If the Public Service Commission fails to accept and approve this Settlement Agreement in its entirety, this proceeding shall go forward and neither the terms of this Settlement Agreement nor any matters raised during settlement negotiations shall be binding on either signatory or be construed against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

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

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

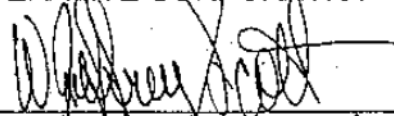
STAFF OF THE PUBLIC SERVICE  
COMMISSION OF KENTUCKY

BY:

  
Staff Attorney

GRAYSON RURAL ELECTRIC  
COOPERATIVE CORPORATION

BY:

  
TITLE: Cooperative Legal Counsel