

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

MEADE COUNTY RURAL ELECTRIC	)	
COOPERATIVE CORPORATION	)	
_____	)	
ALLEGED VIOLATION OF COMMISSION	)	CASE NO. 2000-524
REGULATION 807 KAR 5:041	)	

O R D E R

Meade County Rural Electric Cooperative Corporation ("Meade RECC") is a Kentucky corporation that engages in the distribution of electricity to the public for compensation for lights, heat, power and other uses. Meade RECC is a utility subject to Commission jurisdiction pursuant to KRS 279.210.

On December 13, 2000, the Commission entered an Order establishing this case and directing Meade RECC to show cause why it should not be subject to the penalties of KRS 278.990 relating to an incident occurring on September 28, 2000. Commission Staff had submitted to the Commission an Electrical Utility Accident Investigation Report dated October 6, 2000 which alleged at the time of the incident, two violations of the National Electrical Safety Code (1990 Edition) ("NESC"). Meade RECC had contracted with M & M Electrical Contractor, LLC, ("M & M") and M & M was acting within the scope of the contract with Meade RECC to construct and install a certain utility plant at the time of the incident.

On January 5, 2001, Meade RECC, by counsel, filed its response to the Commission's Order stating the facts of the report dated October 6, 2000 were correct,

but citing a then-pending court proceeding concerning the scope of the Commission's authority that would be dispositive of that issue.

The courts of this Commonwealth have addressed this issue and affirmed the Commission's authority. Public Service Commission v. Jackson County Rural Electric Cooperative Corporation, Ky. App., 50 S.W.3d 764 (2000). In light of this ruling Meade RECC and Commission Staff held an informal conference on October 25, 2001.

The Commission finds that Meade RECC has submitted, by letter filed November 7, 2001, a proposal of settlement in which it admits that M & M did violate the cited provisions of the safety code and regulations. Meade RECC requests that, based upon its diligence in providing a safe working environment and utilizing contract personnel who are screen-evaluated and required to demonstrate satisfactory safety programs before bids are considered, the Commission consider a penalty of \$1,250 per cited violation. Meade RECC also waives the formal hearing set in this case. The Commission accepts the proposal of settlement of Meade RECC in part and rejects in part. The Commission has considered the safety record and programs of Meade RECC, but finds that the penalty amount suggested by Meade RECC is insufficient. The Commission also finds that, although Meade RECC has agreed that it is in violation of the regulations and that it will pay a penalty, it has not waived its right to a formal hearing before the Commission as to the amount of that penalty under KRS 278.992(1).

The Commission having considered the record herein and the proposed settlement submitted by Meade RECC and being sufficiently advised, IT IS HEREBY ORDERED that:

1. Meade RECC is in violation of two regulations as contained in the Commission's Order of December 13, 2000.

2. On or before December 31, 2001, Meade RECC shall file with the Commission its election to waive a formal hearing and accept the penalty provisions herein or, in the alternative, to request a formal hearing on the amount of penalty to be assessed pursuant to KRS 278.992(1).

3. Upon the filing by Meade RECC of an election to waive a formal hearing and accept the penalty provisions herein, Meade RECC shall be assessed a penalty of \$1,750 for each of the 2 violations.

4. Within 15 days after entry of the election of Meade RECC to waive a formal hearing and accept the penalty provisions herein, Meade RECC shall pay \$3,500 by cashier's check payable to the Kentucky State Treasurer, which 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.

5. Upon payment of the sum stated in Ordering Paragraph 4 above, this case shall be removed from the Commission's docket.

Done at Frankfort, Kentucky, this 6<sup>th</sup> day of December, 2001.

By the Commission

ATTEST:

  
Executive Director