

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

SHELBY ENERGY COOPERATIVE)	
_____)	CASE NO.
ALLEGED FAILURE TO COMPLY WITH)	2006-00098
KRS 278.042		

O R D E R

Shelby Energy Cooperative, Inc. ("Shelby Energy") is a non-profit cooperative corporation organized under the laws of Kentucky. Shelby Energy distributes electricity to the public for compensation for lights, heat, power, and other uses, and is a utility subject to Commission jurisdiction. KRS 278.010, 279.210.

Commission Staff submitted to the Commission an Incident Investigation Report ("Incident Report") dated February 24, 2006, attached hereto as Appendix A, which alleges that on February 8, 2006, Greg Lee Mays was an employee of Dobson Power Line Construction, Inc. ("Dobson"), a contractor hired by Shelby Energy to perform maintenance work on Shelby Energy's electric plant and facilities. Mr. Mays and other employees of Dobson were working near 4505 Peck Pike in Trimble County, Kentucky. Mr. Mays was on a pole preparing to cut a dead end on an old line, which would allow them to pull a new line in while maintaining service to a commercial customer. Another Dobson employee was at the take-off pole where there were two switches: one which fed a transformer; and the other, which fed the primary tap line, which was being worked on by Mr. Mays. The Dobson employee at the take-off pole erroneously opened

the transformer switch, leaving the tap line energized, and then called by two-way phone to a Dobson employee with Mr. Mays to state that the tap line had been de-energized. Mr. Mays then reached out and grabbed the primary tap line, which was still energized. A Dobson employee who was working on the same pole as Mr. Mays then attempted to lower the victim to the ground, but while doing so he slipped out of his belt and fell to the ground. Mr. Mays was then taken to the hospital and he died of his injuries.

KRS 278.042 requires that an electric utility construct and maintain its plant and facilities in accordance with the most recent edition of the National Electrical Safety Code, which is the 2002 Edition ("NESC"). The Staff's Incident Report notes eight probable violations of KRS 278.042:

1. NESC, Section 42, Rule 420.C.4, by the employees' failure while working in the vicinity of energized lines to consider all the effects of their actions and to take into account their own safety, the safety of other employees, the property of others, and the public in general;

2. NESC, Section 42, Rule 420.D, by the employees' failure to consider electric supply lines to be energized, unless they are positively known to be de-energized, by failing to perform preliminary tests to determine existing conditions, and by failing to know the operating voltages of lines before working on or in the vicinity of energized parts;

3. NESC, Section 42, Rule 420.H, by the employee's failure to use the personal protective equipment, protective devices, and the special tools provided for the work;

4. NESC, Section 42, Rule 422.C.5, by the employees' failure, while working on or in the vicinity of equipment or lines exposed to voltages higher than those guarded against by the safety appliances provided, to take steps to be assured that the equipment or lines on which the employees are working are free from dangerous leakage or induction or have been effectively grounded;

5. NESC, Section 44, Rule 441.A.1, by the employees' failure to maintain the minimum distance to expose parts that operate at the voltages listed in NESC Table 441-1 or Table 441-4, when the line or part is not de-energized and grounded in accordance with NESC, Rule 444.D;

6. NESC, Section 44, Rule 444.D, by the employee's failure to make protective grounds or verify that adequate grounds have been applied on the disconnected lines, and by the failure to place grounds at each side of, or at, the work location;

7. NESC, Section 44, Rule 444.E.1, by the employee proceeding to work on the lines before first de-energizing the lines and placing grounds as required by NESC Rule 444.D; and

8. NESC, Section 44, Rule 445.A.3, by the employee's failure to test for voltage the previously energized parts that are to be grounded, and by the employee's failure to keep every part of the body at the required distance by using insulating handles of proper length or other suitable devices.

The Commission, on its own motion, HEREBY ORDERS that:

1. Shelby Energy shall submit to the Commission, within 20 days of the date of this Order, a written response to the allegations contained in the Incident Report.

2. Shelby Energy shall appear on July 11, 2006, at 9:00 a.m., Eastern Daylight Time, in Hearing Room 1 of the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky, to present evidence concerning the incident which is the subject of the Incident Report, specifically the eight alleged violations of KRS 278.042 and NESC Rules 420.C.4, 420.D, 420.H, 422.C.5, 441.A.1, 444.D, 444.E.1, and 445.A.3, and to show cause, if any can, why it should not be subject to the penalties of KRS 278.990 for the eight probable violations of the aforementioned statute.

3. The official record of this proceeding shall be by video, unless otherwise requested by Shelby Energy.

4. The Incident Report dated February 24, 2006 is hereby made a part of the record of this case.

5. Any request by Shelby Energy for an informal conference with the Commission Staff shall be set forth in writing and filed with the Commission within 20 days of the date of this Order.

Done at Frankfort, Kentucky, this 8th day of June, 2006.

By the Commission

ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2006-00098 DATED June 8, 2006

Incident Investigation Staff Report may be obtained by request.