COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

EAST KENTUCKY POWER COOPERATIVE, INC.

ALLEGED FAILURE TO COMPLY WITH KRS 278.042

CASE NO. 2007-00404

<u>O R D E R</u>

East Kentucky Power Cooperative, Inc. ("EKPC") is an electric generating and transmission cooperative organized under KRS Chapter 279. Pursuant to KRS 279.210(1), EKPC is "subject to the general supervision" of the Commission and is "subject to all provisions of KRS 278.010 to 278.450 inclusive, and KRS 278.990." Pursuant to KRS 278.042, the Commission shall prescribe the service adequacy and safety standards for electric utilities, as stated in the Commission's administrative regulations and in the most recent edition of the National Electrical Safety Code ("NESC").

Commission Staff submitted to the Commission a Utility Incident Report ("Report") dated August 22, 2007, attached hereto as Appendix A. The Report alleges that, on June 11, 2007, in Winchester, Clark County, Kentucky, Willie Ray Williams was injured while loading transmission poles in the EKPC pole yard.

EKPC had contracted with Irby Construction Company, Inc. ("Irby Construction") to load and transport poles for a job in Inez, Martin County, Kentucky. Mr. Williams was

an employee of Irby Construction and was part of a 4-man crew that worked on loading the poles.

At the time of the accident, Mr. Williams was operating the truck-mounted crane when the steel sling failed, which allowed an 80-foot, Class 1 pole to strike Mr. Williams on the head, causing severe injuries. The Report points out that the sling being used as a choker to lift the pole was not strength-rated for the load being lifted. The pole being lifted weighed approximately 5,200 pounds per EKPC's summary report. The rating tag on the steel sling that failed in this accident states that the sling being used as a choker is rated at 1.6 tons (3,200 pounds).

The Report noted three probable violations of KRS 278.042. All violations arise under the 2007 edition of the NESC. The alleged violations are as follows:

1. NESC Section 42, Rule 421-A-1: Duties of First Level Supervisor or Person in Charge to [A]dopt such precautions as are within the individual's authority to prevent accidents.

2. NESC Section 42, Rule 421-A-2: Duties of First Level Supervisor or Person in Charge to [S]ee that the safety rules and operating procedures are observed by the employees under the direction of this individual.

3. NESC Section 42, Rule 421-A-5: Duties of First Level Supervisor or Person in Charge to [P]rohibit the use of tools or devices unsuited to the work at hand or that have not been tested or inspected as required.

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

1. EKPC shall file with the Commission, within 20 days of the date of this Order, a written response to the allegations contained in the Report.

Case No. 2007-00404

-2-

2. EKPC shall appear on January 8, 2008 at 9:00 a.m., Eastern Standard 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 Report. Specifically, EKPC shall present evidence as to the three alleged violations of KRS 278.042 and the NESC and show cause why it should not be subject to the penalties of KRS 278.990 for the alleged violations.

3. The Report, attached hereto as Appendix A, is made a part of the record in this case.

4. Any request for an informal conference with 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 24th day of October, 2007.

By the Commission

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2007-00404 DATED October 24, 2007

A copy of this Appendix is available upon request.