



April 1, 2011

Procedural Guidelines
For
Facilities and Equipment Inspections
(pursuant to 807KAR5:006, section 25)

Scope

To establish minimum guidelines for the inspection of Blue Grass Energy's physical plant and insure that work equipment and power delivery systems are maintained in safe operational condition enhancing the safety and quality of electrical service provided to customers.

Power Delivery Systems ⁽¹⁾

Support Structure Inspection

Inspections of line/equipment support structures shall be performed on a continuing 10 (ten) year cycle with 1/10 one tenth of support structures inspected annually. These inspections are to be documented and shall include (but are not limited to): poles, crossarms, insulators and supporting components.

Structures found to be unsafe are to be marked as DANGER STRUCTURES and will be reported to the respective District Line Superintendent for immediate replacement.

Structures found to be unsatisfactory but do not represent an immediate threat to public or employee safety will be scheduled for replacement in routine work scheduling. Wooden structures found in good condition are to be treated with preservative to extend service life. These inspections may be performed by Blue Grass Energy employees or by authorized contractors.

Lines, Cables and Electrical Equipment

Inspections of lines, cables, transformers, etc. shall be performed on a continuing 2 (two) year cycle with 50% of the systems lines, cables, transformers, etc inspected annually. These inspections are to be documented and may be accomplished during line routine and emergency line patrol, routine construction and maintenance operations and/or emergency construction or maintenance operations. Conditions found to be an immediate threat to public or employee safety or possible threat of immediate interruption of service shall be repaired immediately. Conditions found to be unsatisfactory but do not represent an immediate threat to public or employee safety will be scheduled for repair in routine work scheduling. These inspections may be performed by Blue Grass Energy employees or by authorized contractors which may include aerial surveys.

Buildings, Surrounding Grounds, and Materials Storage

Inspections of these facilities are to be documented and performed no less than quarterly of each calendar year. Inspections shall include but are not limited to: unsafe conditions, worn, damaged or disrepair and compliance with local, state and federal codes. Conditions found to be an immediate threat to public or employee safety or possible threat of immediate interruption of service shall be repaired immediately. Conditions found to be unsatisfactory but do not represent an immediate threat to public or employee safety will be scheduled for repair in routine work scheduling. Inspections may be performed by Blue Grass Energy employees or authorized contractors.

Tools and Work Equipment

Work tools, equipment and construction/maintenance vehicles are to be inspected monthly for signs of wear, deterioration or unsafe conditions, disrepair, damage or any condition which may affect the safe operation of the equipment. Tools and work equipment found to be unsafe to use or operated shall be rendered inoperative, tagged as out of service and conditions immediately reported to appropriate Blue Grass Energy personnel for repairs or replacement. These inspections shall be in addition to any inspections required by the tool/equipment manufacturer, required electrical insulation testing or inspections required by other regulatory agencies or daily/before use inspections performed by using employees. These inspections may be performed by Blue Grass Energy employees or authorized contractors.

(1) Blue Grass Energy does not own, operate or maintain any power delivery systems above 25Kv.