



Matthew G. Bevin  
Governor

Charles G. Snavely  
Secretary  
Energy and Environment Cabinet

Michael J. Schmitt  
Chairman

Robert Cicero  
Vice Chairman

Commonwealth of Kentucky  
**Public Service Commission**  
211 Sower Blvd.  
P.O. Box 615  
Frankfort, Kentucky 40602-0615  
Telephone: (502) 564-3940  
Fax: (502) 564-3460  
psc.ky.gov

June 14, 2017

Talina R. Mathews  
Executive Director  
Public Service Commission  
P.O. Box 625  
Frankfort, KY 40602

Re: Case No. 2017-00094  
Kentucky Utilities Company  
Alleged Failure to Comply with KRS 278.042

Dear Ms. Mathews:

Enclosed for filing is the Stipulation of Facts and Settlement Agreement entered into between Commission Staff and Kentucky Utilities Company. Please bring this document to the Commission's attention for its review and consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "John B. Park".

John B. Park  
Staff Attorney

JBP/ph

Enclosure

cc: Parties of Record

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

KENTUCKY UTILITIES COMPANY )  
 )  
 \_\_\_\_\_ )  
 ) CASE NO. 2017-00094  
 ALLEGED FAILURE TO COMPLY )  
 WITH KRS 278.042 )

STIPULATION OF FACTS AND SETTLEMENT AGREEMENT

By Order dated March 1, 2017, the Commission initiated this proceeding to determine whether Kentucky Utilities Company ("KU") should be subject to the penalties prescribed in KRS 278.990 for an alleged violation of KRS 278.042, which requires the Commission to ensure that each electric utility constructs and maintains its plant and facilities in accordance with accepted engineering practices as set forth in the Commission's administrative regulations and orders and the most recent edition of the National Electrical Safety Code ("NESC"). The March 1, 2017 Order found that there was *prima facie* evidence that KU had violated a provision of the 2012 National Electric Safety Code ("NESC") regarding the vertical clearance for the service wire and the system neutral.<sup>1</sup>

The violation giving rise to this case involves an incident occurring on November 21, 2016, when Marcus Hobbs, a public citizen, sustained physical injuries when he made contact with a 7.2 kilovolts ("KV") primary line located on KU's Evarts circuit 4475 in

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<sup>1</sup> 2012 NESCE, Part 2, Section 23, Rule 232(B)(1)

Evarts, Kentucky. According to the Staff Accident Investigation Report ("Staff Report"), Mr. Hobbs was in the process of transporting a mobile home when he climbed onto the roof of the mobile home, which was sitting on a trailer, in an attempt to raise the service wire and the system neutral in order to allow the mobile home to pass under the lines. When Mr. Hobbs raised the service wire, it made contact with the system neutral which in turn made contact with a 7.2 KV primary conductor. Mr. Hobbs sustained unspecified injuries as a result of the contact with the power line and was ultimately transported to the Joseph M. Still Burn Center in Augusta, Georgia.

On March 21, 2017, KU filed a response to the Commission's March 1, 2017 Initiating Order addressing the various sections of the Staff Report and denying any willful violations of the 2012 NESC vertical clearance requirement for distribution lines. As part of its response, KU requested that an informal conference be scheduled for the purposes of discussing settlement and clarifying the issues in this proceeding.

On May 18, 2017, an informal conference was held at the Commission's offices to discuss the issues in the case. As a result of the discussions at the informal conference, KU and Commission Staff were able to reach an agreement in principle.

1. KU agrees that the Staff Incident Investigation Report, attached as an Appendix to the Commission's March 1, 2017 Initiating Order in this case, accurately describes and sets forth the facts and circumstances surrounding the incident giving rise to the Order.
2. As a result of the November 21, 2016 incident, KU agrees to pay a civil penalty, pursuant to KRS 278.990, in the amount of \$2,500. The Commission's acceptance of this Stipulation will satisfy and resolve any and all claims against

KU for any violation of KRS Chapter 278 or for any penalty under KRS 278.990 arising out of the November 21, 2016 incident.

5. This Stipulation is not an admission by KU that it willfully violated KRS 278.042 or any other provision of KRS Chapter 278. The Commission's acceptance of this Stipulation shall not be construed as a finding that KU willfully violated any statute.

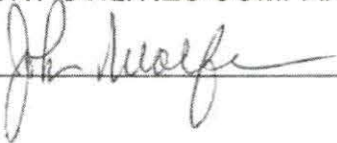
6. In the event the Commission does not accept this Stipulation in its entirety, KU reserves its right to withdraw therefrom and require that a hearing be held on any and all issues herein, and that none of the provisions contained herein shall be binding upon the parties thereto, used as an admission by KU of any liability in any legal proceeding or lawsuit arising out of the facts set forth in the Staff Report, or otherwise use as an admission by either party.

7. This Stipulation is for use in Commission Case No. 2017-00094. None of the provisions in this Stipulation establishes any precedent for any other case. Neither KU nor Commission Staff shall be bound by any part of this Stipulation in any other proceeding, except that this Stipulation may be used in any proceeding by the Commission to enforce the terms of this Stipulation or to conduct a further investigation of KU's service, and KU shall not be precluded or estopped from raising any issue, claim, or defense, therein by reason of the execution of this Stipulation.

9. KU and Commission Staff agree that the foregoing Stipulation is reasonable, is in the public interest, and should be adopted in its entirety by the

Commission. If adopted by the Commission, KU waives its right to a hearing in this matter and will not file any petition for rehearing or seek judicial review.

KENTUCKY UTILITIES COMPANY

By 

Title Vice President Electric Distribution

Date June 13, 2017

STAFF OF THE PUBLIC SERVICE COMMISSION

By 

Title Staff Attorney

Date June 13, 2017

\*Kentucky Utilities Company  
220 W. Main Street  
P. O. Box 32010  
Louisville, KY 40232-2010

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P. O. Box 32010  
Louisville, KY 40232-2010