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November 13, 2014

Mr. Jeffrey Derouen
Executive Director
Kentucky Public Service Commission
P.O. Box 615
211 Sower Boulevard
Frankfort, KY 40602

RECEIVED

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COMMISSION

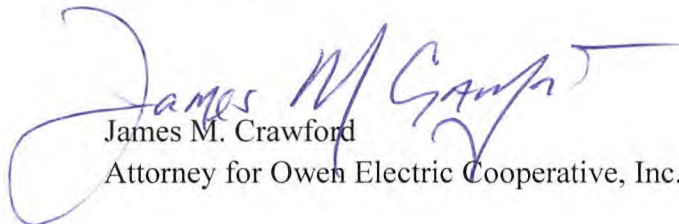
RE: *PSC Case No. 2013-00230*

Dear Mr. Derouen:

In accordance with paragraph 5 of the Commission's Order dated February 3, 2014 in the above-referenced case, please find enclosed for filing the third quarterly report detailing the continuous improvement teams' areas of focus for the third quarter 2014 and changes instituted as a result of the teams' efforts.

Please contact me with any questions.

Very truly yours,


James M. Crawford
Attorney for Owen Electric Cooperative, Inc.

Enclosure

Owen Electric Cooperative, Inc.

Third Quarter 2014 Report—Continuous Improvement Teams' Focus and Changes Implemented

November 13, 2014

In accordance with the Commission's Order dated February 3, 2014 in Case No. 2013-00230, this report details the continuous improvement teams' areas of focus for the third quarter 2014 and changes instituted as a result of the teams' efforts. To date, three continuous teams have completed work on the following topics: Improving Field and Workplace Visits, Near Miss Reporting, and Member Threats.

In its second quarter report filed with the Commission on August 13, 2014, Owen Electric provided the status of the work of the near miss reporting team and the member threats team. Additional information is provided below.

Near Miss Reporting Team

Two near miss reporting teams met during the second and third quarters of 2014—one team was comprised of field personnel and the other was comprised of office personnel. Page 2 of this report contains the near miss reporting form to be used by outside employees. Page 3 of this report contains the near miss reporting form to be used by inside employees and pages 4 and 5 contain a form to be completed by the safety manager when investigating inside employee near misses. Since near miss reporting is a newly-adopted process at Owen Electric, the guidelines are being continuously modified and enhanced. Final near miss reporting guidelines will be provided with the fourth quarter report to the Commission.

Member Threats Team

The Member threats team completed its work and drafted a final report in the third quarter 2014. The member threats team report, provided on pages 6 through 18, includes the results of the company-wide survey, employee comments, and recommendations. The Safety Steering Committee is evaluating the recommendations contained in this report.

The next Safety Continuous Improvement Team has been formed and it will focus on driver safety. This team will complete its work in the first quarter 2015.

Near Miss Report

No Disciplinary Action Will Be Taken For Any Safety Violations Involved With The Near Miss

Date of Near Miss ___/___/___ Day of Week _____ Time of Day _____ AM PM

Regular Job Assignment Trouble Call Overtime

Crew Members @ Job Site (Including yourself) Number of Potential Injuries (Including yourself)

Number Of Hours Worked Or On Duty Since Last Rest

Location: _____

Weather Conditions (Describe) _____

Vehicle/Equipment Used – Bucket: Derrick: Flat Bed: Pickup/Service: Other:

(Describe) _____

Cause of Near Miss: Equipment Failure Human Error Work Practice/Procedure

Weather Unknown

Summary Of Near Miss (No names required --- Use reverse side for diagrams) _____

Was Safety Equipment Provided? Yes No Was It In Use At Time? Yes No

Do You Have A Safety Policy/Rule Pertaining To This Job? Yes No

If So, What Was The Policy/Rule? _____

What Has Been Done To Prevent Re-Occurrence? _____

Reported By: (Optional) _____ Date: _____

Date Communicated To Owenton/Walton Warehouses _____



Near Miss Report for Inside Employees

A **Near Miss** is defined as any unplanned event that has the potential but does not result in bodily injury or property damage.

Form Instructions

1. Within 24 hours the witness or person with knowledge of the near miss must complete report.
2. Forward immediately to the Safety Manager.
3. The Safety Manager will conduct an investigation.
4. Recommendations for preventative actions will be discussed with the Safety Team.
5. The Safety Manager will keep the report on file in Corporate Services.

Completed by witness or person with knowledge of near miss/potential hazard

Date: _____ Time: _____ AM PM

Dept: _____ Location: _____

Check all that apply:

Unsafe Condition Unsafe Equipment Unsafe Use of Equipment Unsafe Act/Behavior

Indoors Outdoors Number of Employees Involved ____ Has this occurred before? Yes No

Description:

Employee Signature (Optional)

Date



Near Miss Investigation for Inside Employees

Completed by the Manager of Safety after investigation of the near miss

1. Primary and contributing factors and activities: (check all that apply)

Equipment

- Equipment failure
- Improper equipment or material used for job
- Guard removed from equipment

Personal Protective Equipment

- Not worn
- Not readily available
- Not adequate for the task
- Personal protective equipment failure

Training/Experience

- Lack of training
- Failure to follow procedures
- New task for employee or lack of experience
- Incomplete Safe Operating Procedure
- Outdated Safe Operating Procedure

Work Area

- Work area set up improperly
- Ergonomic factors
- Sanitary and housekeeping issues
- Lack of cord management
- Ice or wet conditions
- Loose handrails
- Chipped tile or loose carpet/rug
- 3 foot clearance in front of electrical panel
- Lack of Material Safety Data Sheets
- Other _____

Employee

- Employee fatigue
- Unbalanced or poor position or motion
- Not paying attention
- Improper footwear for conditions
- Going too fast
- Taking short cuts
- Not aware of surroundings
- Lack of policy/procedure
- Poor housekeeping practices
- Improper behavior and attitude
- Disregard for safety rules
- Animal (explain): _____

Other unsafe practice (explain): _____

Environmental Factors

- Clear
- Rain
- Snow
- Sleet
- Hail
- Other _____

Notes: _____

Safety Manager Signature

Date Received

Date of Investigation

2. Preventative Actions – Recommendations of the Safety Manager and Safety Team: (check all that apply)

- Develop/revise safety policies/procedures and/or update plan
- Request ergonomic evaluation
- Require personal protective equipment
- Remove equipment from use and repair or repair and replace
- Schedule preventative maintenance
- Retrain employee in proper procedures
- Require further safety training
- Inform employee to slow down
- Address attitude and behavior
- Address employee work practices
- Maintain housekeeping and sanitary conditions
- Contact Facilities Management (ice, snow, etc.)
- Other (explain) _____

Safety Team Members:

Date of Safety Team Review:



Report

To: Mark Stallons, Department Heads, Safety Steering Committee

From: Manager of Technology, James Petreshock, Safety Focus Group

Date: August 22, 2014

Subject: Report on Member Threats

Summary

In February of 2014 the Owen Electric Safety Steering committee identified weakness, vulnerabilities, and threats that warranted action and/or further investigation. After addressing the first “easy win” weakness of increase management’s presence in the field and overall safety awareness program the Steering Committee identified two more items to be addressed. One of these items addressed in this report are threats from the general public, our membership, and company personnel. In April 2014 the Safety Steering Committee formed a team of 5 members to participate in a focus group for this threat.

The Safety Focus group was composed of employees from Operations, Member Services, and Corporate Services with a broad background in experience within the cooperatives various day to day activities and consisted of the following employees:

- Kevin Miller System Operations Department
- Jim Petreshock Technology Department
- Terri Raines Meter Department
- Mike Stafford Member Services Department
- Tara Thornberry Accounting Department

The team first met on May 1st to discuss the objectives of the team and discuss the direction that the group take in order to evaluate employee concerns related to Member/Public/Employee threats and discussed company policies related to Safety and Security (Policy 102 Sec a, Policy 1101 Sec b, policy 1104 Sec. a, Policy 123, Policy 202). At the second meeting on May 8th the team continued discussion from previous meeting and reviewed and edited a draft survey. By May 27th the group had finalized the survey and cover letter and obtained approval from the executive team for release. On the 30th of May the survey was dispersed with a requested return data of June 30th to provide adequate time for employees to complete and return.

The team compiled the reports into electronic format by the 10th of July and reconvened on July 31st to discuss the initial analysis of the multiple choice responses and to categorize and summarize the open response questions. This report will cover the concerns and discussions internally within this focus group; but also the analysis of a company-wide survey that was submitted to obtain feedback from Owen Electric Employees.

How was this Study Conducted?

The Focus group conducted a survey, with Department Head approval, of all Cooperative employees and long term temporary employees. The survey consists of (21) twenty one multiple choice questions which asked employees to either answer yes/no or to rate their answers with a 1-5 to represent decreasing frequency (i.e. "1"= Always, "5" – Never). Additionally, there were six(6) open response questions that asked employees to identify the primary and secondary concerns that they have for their personal safety in terms of bodily injury, physical security concerns of our facilities, and their perspective on the methods to address those concerns. To help differentiate threats between field and office personnel employees were asked to identify themselves as office, field, or both. All surveys were anonymous with a provision in the last open response question that allowed the respondent to provide indentifying information for one on one follow up interviews. A copy of the survey is included in appendix A.

Findings

The response rate for the surveys was satisfactory with 78 surveys being returned within the requested submission timeframe for a response rate of 60%.

Table 1 - Employee Responses by Station

<u>Office</u>	<u>Field</u>	<u>Both</u>	<u>Neither</u>	<u>Total</u>
43	18	14	3	78
55%	23%	18%	4%	100%

Overall, employee's reported that they felt safe at their assigned work areas and that their facilities were adequately protected with 94%, 92%, 89% positive responses for office, field, and office & field employees. Overall, employees reported nearly 70% response that they felt adequately trained to handle a hostile member. However, the office & field employee group reported the highest negative response to feeling adequately trained to handle hostile members with 33% indicating a need for more training.

While reviewing the responses to the incidents of member threats/workplace violence during previous years, questions 14-16 and 17-19, we determined that respondents may have been confused over the expected answer structure (i.e. 1-5 verse Yes/No). Any future surveys should be designed to remove any ambiguity on how responses should be structured.

Responses to the open ended questions were grouped by the team and the results of this are included in appendix B

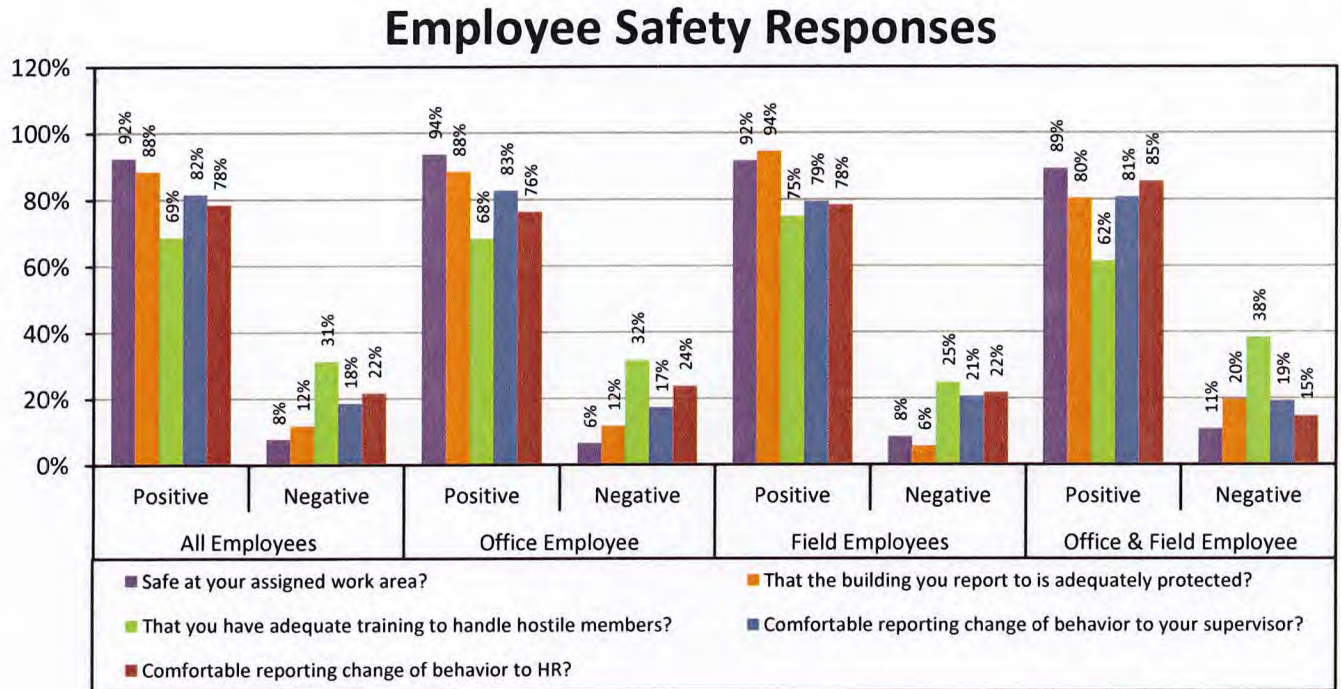


Figure 1 - Employee Safety Responses

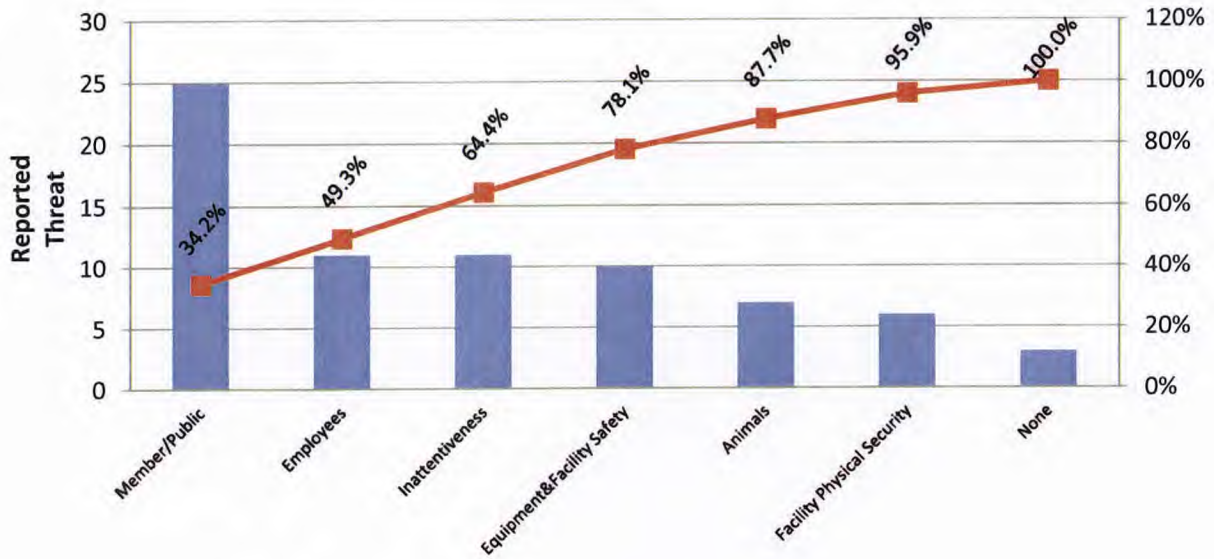


Figure 2 - Combined Threats of Concern

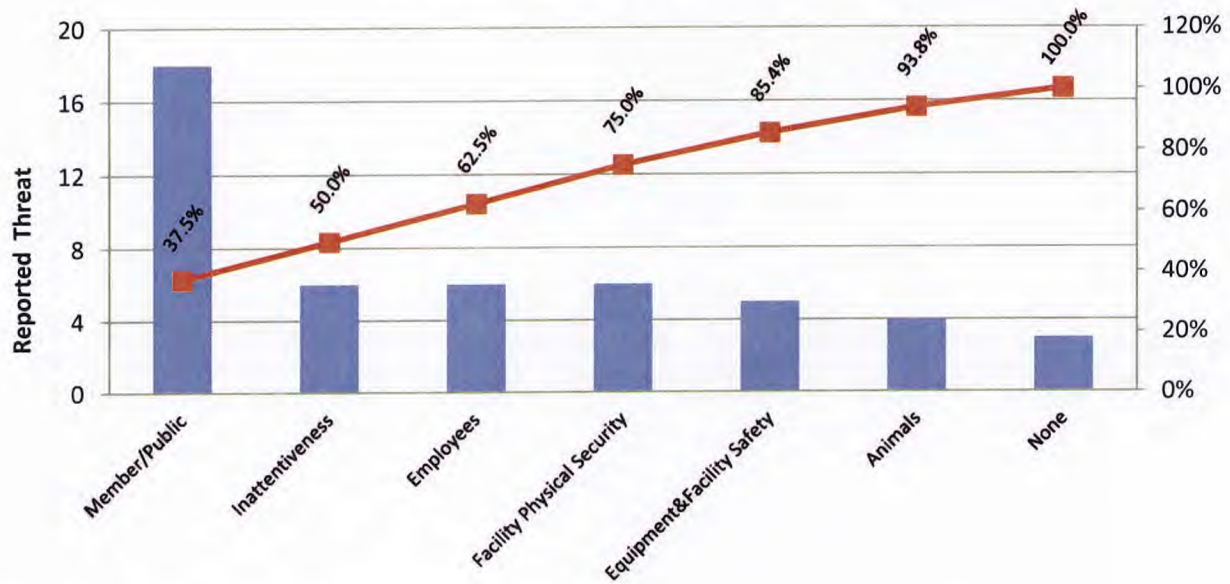


Figure 3 Primary Threats of Concern

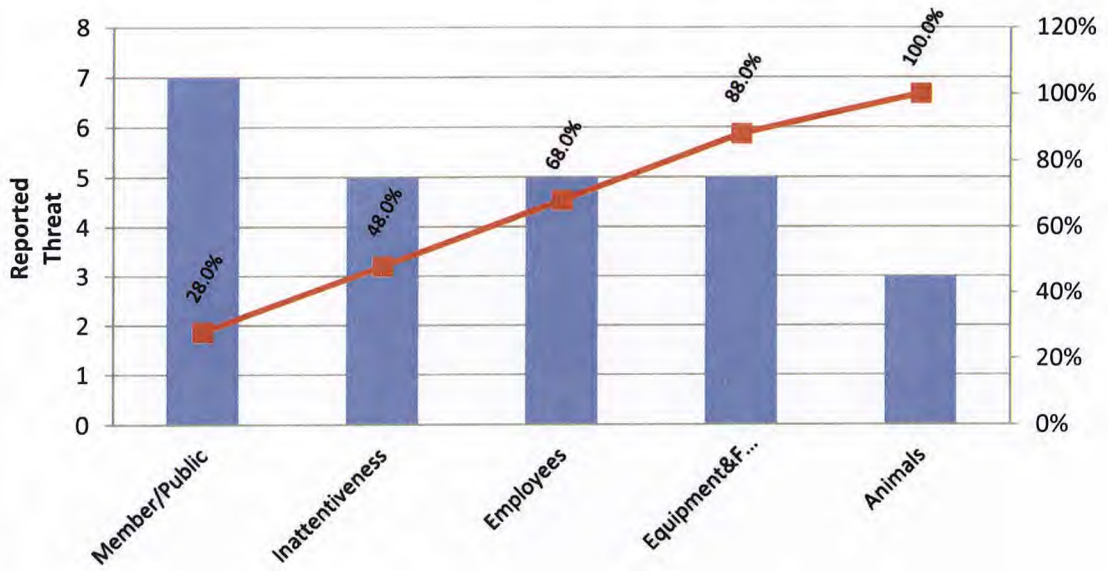


Figure 4 Secondary Threats of Concern

Recommendations

The safety focus group during our meetings discussed several items of concern based upon our personal experiences and observations during our terms of employment with Owen Electric Cooperative. The group would like Senior Management and the Safety Steering Committee to consider the items listed below:

1. Conduct a formal facility security evaluation by a trained professional and supplement existing findings by company staff.
2. Develop an Emergency Action Plan for an active shooter and workplace violence scenarios. Conduct training and drills for these scenarios along with Tornado drills, Fire drills, Bomb threats, etc. Consider participating in a local law enforcement training program for active shooter type situations.
3. Visitor Policy: A standard and unified policy for visitors (vendors, contractors, family, etc.) should be implemented and enforced. Employees should be encouraged and educated on methods to converse with people they are unfamiliar with who might be in the hallways.
4. Consider evaluating program to authorize specific employees to be allowed to carry firearms in the workplace.
5. Consider hiring a carrier for important items such as mail, money and when not driving this person could possibly man the front desk at other times.
6. Increase emphasis on prepay to reduce the threats associated with collections.

Appendix A

Page 1



Workplace Violence Survey

Please check the appropriate box(es):

Office Worker

Field Worker

Statement	Always	Frequently	Sometimes	Rarely	Never
	1	2	3	4	5
Do you feel safe at your assigned work area?					
Do you feel that the building you report to is adequately protected?					
Do you feel that you have adequate training to handle hostile members?					
If you observe a change in behavior of a co-worker that is negative or concerning, are you comfortable to report your concerns:					
To your supervisor?					
To HR?					
Check one column	Yes	No			
Have you been verbally threatened while working?					
Did you Report it?					
Was it investigated promptly?					
Was it investigated to your satisfaction?					
Where did it occur?					
Check one column	Yes	No			
Have you been physically threatened while working?					
Did you report it?					
Was it investigated promptly?					
Was it investigated to your satisfaction?					
Where did it occur?					
During 2014 and 2013					
Experienced a violently aggressive member in office environment?					
Experienced a violently aggressive member in field environment?					
Were you fearful of a member or someone from the general public?					
During 2012					
Experienced a violently aggressive member in office environment?					
Experienced a violently aggressive member in field environment?					
Were you fearful of a member or someone from the general public?					

Definitions:

- Member - A current member of Owen Electric
- Employee/Cowork - a current Owen Electric Employee
- General Public/Public - any non active employee and non member

Page 2

Additional Questions

1. In your opinion, what is the biggest threat to your personal (bodily injury) security during your work day:

2. In your opinion, how should Owen Electric address this threat? Up to and including any policy, procedural, and/or technological changes.

3. In your opinion, what is the second biggest threat to your personal (bodily injury) security during your work day:

4. In your opinion, how should Owen Electric address this threat? Up to and including any policy, procedural, and/or technological changes.

5. Please feel free to add any additional concerns for safety/security, both your physical safety and building security. If you wish to be contacted in reference to your responses and suggestions, please include your name on this survey.

4. In your opinion, how should Owen Electric address this threat? Up to and including any policy, procedural, and/or technological changes.

Optional:

If you would like a follow up interview with the Safety Focus Group conducting this survey please put your contact information below and a member of the team will contact you for a more detailed meeting.

Appendix B**Table 2 - Open Response 1 & 2**

	Threats	Solutions
EMPLOYEE	Disgruntled employee or angry member bringing a firearm into workplace, Employee "snapping" and going off, Disgruntled employee, Upset co-worker, Employee violence (person coming in with behavior or mental issues.	Review/establish lock-down procedures. Review admittance of visitors policy, OEC is doing all they can including EAP, Training on behaviors or situations to look for. Internal "lockdown" type of plan.
EQUIPMENT & FACILITY SAFETY	Mechanical failures, High voltage, An accident in warehouse., Faulty equipment, From the parking lot to the building mostly in the winter months when it is still dark.	Keep getting new equipment when needed, Maybe add a few more security lights.
FACILITY & PHYSICAL SECURITY	Facility Access, Unauthorized people getting into the BLDG, Gunshot, Carrying large deposit amounts to the bank in my personal vehicle, In Walton, anyone & everyone is allowed to enter the BLDG or through the gate. Anyone who presses the buzzer is just let in. We might as well leave everything open, Someone getting in the building or parking lot with intentions of hurting us., I believe OEC does a good job in security. The side door by the kitchen does not automatically lock when someone goes through it sometimes. Some members get very angry when their power is turned off for non-pay and any employee whether inside or outside could encounter them.	Secure facility: doors, gates, and readers, I think Owen Electric's policy is good, it's just the concern of those who could slip through unnoticed or someone letting them in thinking they are safe. We all just need to be more aware and cautious, Have deposits picked up daily at office, People should be asked their name and nature of business at the very least. Perhaps show I.D.?, Strict entry procedure, training, maybe a security guard,
INATTENTIVENESS	Normal daily activity and not paying attention, Other drivers. Much more chance of other drivers' non-attention, My commute to and from work, Driving, There are many blind corners when walking in the hallways. It would be beneficial for everyone to be more alert when walking and slow down at the corners.	Nothing, Drivers training, None - not related to work, but feel that's my most vulnerable portion of the work day. I did like that we shut down this year for winter weather in consideration of employees, Already have all aids, Every other year conduct driver safety courses. Very beneficial with instructor in vehicle for testing, Make sure people are more alert. Send reminders.
NONE	None. I do not feel threatened at work, Don't have any, I do not feel threatened at my workplace or in my job duties, I do not have any. Very safe environment, I feel very safe at work!	We do a good job keeping doors and gates locked, NO

	Threats	Solutions
PUBLIC & MEMBER	<p>Angry member in office, Irate consumers, At headquarters - Anyone can climb the gate and get through the warehouse on any given day. Once a violent person is inside the building, some areas cannot be locked to keep person from getting to employees, Customer - upset economy and higher rates = stress, Threat from outside public/members. Public entering premises for deliveries, etc., I think there is a potential (a very real threat) for a live shooter scenario. We have a lot of disgruntled members that are capable of harming just about anybody in the HQ building if they wanted to, None. I do not feel threatened at work, Don't have any, I do not feel threatened at my workplace or in my job duties, NO, I do not have any. Very safe environment, I feel very safe at work!, Angry consumers, consumers, Physical injury from angry people, Consumers, In field by members, Upset member.</p>	<p>Metal detectors, High fence around the back of property?? Warehouse area locked at all times? Gate to be monitored in some way? I know system operations can't watch the gate 24/7 especially during outages, I am fine - I feel I know how to deal with threat, We currently have cameras, building security (key pad entry) and such in place to handle this, The physical security of the HQ building is poor at best. Policy changes may be the best course of action. I would suggest allowing certified, trained employees to carry concealed firearms for their safety, We do a good job keeping doors and gates locked, Nothing that can be done further, Train employees how to handle the situation, Give us more leniency on bill pay time with customers, Owen has addressed it by putting cameras and also emergency buttons in all branch offices, Reduce exposure after hours, I believe that our locked doors adequately protect me.</p>

Table 3 - Open Response 3 & 4

	Threats	Solutions
ANIMALS	Bad dog, Dog bites, Dogs	Nothing. Common sense takes over!, Maybe bite terminators or something of that sort, Pepper spray
EMPLOYEE	Coworker, Lack of training for dealing with hostile members, co-workers and strangers. I guess a co-worker becoming violent, Maybe former employee/People coming into office, Revengeful spouse of an employee having an affair with coworker(s).	By observing his/her behavior , All threats are serious and should be reported to the police, Good policy in place, take personal responsibility
FACILITY & PHYSICAL SECURITY	Cyber-security threats, Germs, Mother nature/storm, No above-counter protection in our branch office, Weather	Office staff to have specific training in this area, More Lysol, Random and periodic tornado and fire drills, Again, I believe our procedures and safe area protect me well'
INATTENTIVENESS	Driving, Me - accident , Myself or someone else making a mistake, Road travel (work zones on road!), Work around warehouse.	Stress on driving, Look at how we go about leaving stuff out
PUBLIC & MEMBER	Angry consumers, Field visits to "unhappy" members, Public, Robbery, The only other threat I could imagine would be if I was approached in public by a disgruntled violent member, Threats from members on phone, The only other threat I could imagine would be if I was approached in public by a disgruntled violent member.	Bullet proof vest and carry concealed, Training, Understanding how to handle them, I think my suggestion to the 2nd question is a suitable answer for this question as well, Tape conversations and more training for CSR/System Operators, I think my suggestion to the 2nd question is a suitable answer for this question as well.

Table 4 - Open Response Questions 5 & 6

	Threats	Solutions
Equipment & Facility Policies and Procedures	<p>Bomb and security breach,</p> <p>Building is not always secure if outside doors or board doors are not secure,</p> <p>I am in favor of flexible working conditions in inclement weather - whether shutting down early to avoid road hazards or allowing linemen to get rest in anticipation of an event,</p> <p>Remind people to check before backing out of parking spot,</p> <p>While I feel our safety procedures/policies are somewhat adequate, many of them are not properly followed. Also, the physical security of this building does not deter (nor would it prevent) forced access by an outsider.</p>	<p>Discussion and drills on how to respond and where to go,</p> <p>Find a way to better enforce our policies (check-in/check-out),</p> <p>Create physical barriers that would restrict unwanted access to the HQ facility.</p>
Member Related Policies and Procedures	<p>A huge threat is our men collecting money after hours. I also believe the FSRs are at threat during the day disconnecting meters,</p> <p>Maybe not collecting money in the field??,</p> <p>We should stop taking payments in field!</p>	<p>If member calls after hours to reconnect they should be told must wait until morning or install meter device that can be disconnected and reconnected from office. ,</p> <p>Change policies on accepting \$ in field. Have 2 personnel go out on disconnections. ,</p> <p>Many people have concealed carry permits; allow them to use them. Employees should not have to carry large sums of money.</p> <p>Employees need training on what to do and how to react.</p>
Quasi-Happy Campers	<p>I feel this survey is geared to 'negative aspects' -- working in customer service, disgruntled members are a daily happening and I do not feel threatened. Working with the public does not allow 'isolation'.</p>	<p>Many people have concealed carry permits; allow them to use them. Employees should not have to carry large sums of money. Employees need training on what to do and how to react. ,</p>