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February 12, 2015

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

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 fourth and final quarterly report detailing the continuous improvement teams' areas of focus for the fourth 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.

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

February 12, 2015

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 fourth quarter 2014 and changes instituted as a result of the teams' efforts. To date, three continuous improvement teams have completed work on the following topics: Improving Field and Workplace Visits, Near Miss Reporting, and Member Threats. A fourth team, Driver Safety, is in the process of completing its work.

In its third quarter report filed with the Commission on November 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

In its third quarter report to the Commission, Owen Electric provided the near miss reporting forms for both field and office personnel. During the fourth quarter, the near miss reporting guidelines were finalized. Page 3 of this report contains the near miss reporting guidelines for field employees and page 4 contains the guidelines for office personnel. Owen Electric held various employee meetings to emphasize the importance of near miss reporting.

Member Threats Team

The Member Threats Team reconvened in late 2014. In response to two separate and unrelated events involving member threats of violence, Owen Electric started an internal review of policies, practices, and procedures related to employees who are in contact with members of the general public and our own membership. The Member Threats Team met twice since December, reviewed the events of both member threats, and started formulating a series of questions for a targeted group of employees.

By reviewing existing policies, procedures, and Emergency Action Plans and surveying employees, this team intends to provide additional recommendations to Owen Electric's Safety Steering Committee as to the actions that are prudent from an employee risk perspective. The Member Threats Team plans to complete its work by end of the first quarter 2015.

Driver Safety Team

The Driver Safety Team, consisting of eight employees who spend a significant amount of time each day driving as part of their respective job duties, began meeting during the fourth quarter 2014. This team focused on identifying the hazards employees encounter during activities involving driving. The team then discussed the impact of each hazard and prioritized the hazards on which to focus. The team identified the root causes of each hazard and brainstormed about potential actions (such as procedural or policy changes) that could be taken to mitigate employee exposure to these hazards. The team held its final meeting in early February. The team leader is compiling recommendations that will be made to the Safety Steering Committee. A meeting with the team and Safety Steering Committee will take place by the end of February.

**GUIDELINE FOR NEAR MISS REPORTING – FIELD EMPLOYEES**

1. Near Misses involve actions or circumstances in which an injury or property damage could have occurred. At the job site, field personnel will discuss the Near Miss. Photos will be taken when necessary in order to better illustrate the circumstances and conditions in which the Near Miss occurred. The Field Leader will make the final decision on whether to remove personnel from the job and report back to the warehouse. All near misses should be documented and reported even if the event isn't serious enough to remove personnel from the job site.
2. If the occurrence is minor, it will be communicated at the next monthly safety meeting. In the event of a serious occurrence, field personnel from both the Walton and Owenton warehouses will meet to discuss the Near Miss the morning after the occurrence. The Manager of Safety will be asked to attend the meeting. The Process Improvement/Employee Development Administrator will complete the Near Miss Report. Any photos that are taken at the job site will be attached to the report. No names or any other identifying information will be associated with the report. No other members of management will be present during this discussion. The Safety Manager will file the original report. A copy of the report will be given to the Union Steward to keep on file at the warehouse.
3. Immediately following the aforementioned meeting, a Near Miss Committee will review the report in order to determine if any further improvements need to be made. The committee will consist of a Crew Leader and Journeyman Lineman from each warehouse in addition to the Manager of Safety and the Process Improvement/Employee Development Administrator. Committee members will be selected by the Manager of Safety and the Union Steward and will serve a two year term.
4. Following the Near Miss Committee meeting, the Manager of Safety will meet with members of management to discuss concerns and recommendations for improvement.

**GUIDELINE FOR NEAR MISS REPORTING – 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.

1. Within 24 hours, the employee with knowledge of the near miss event must complete Section 1 of the Near Miss Report for Inside Employees.
  - a. For anonymity, the employee signature is optional.
  - b. Employees are encouraged to include as many details as possible when completing the form.
2. After the employee completes the form, they will forward to the Safety Manager.
  - a. If the Safety Manager is unavailable, the employee will notify their supervisor.
  - b. If the near miss involves an unsafe condition of the facilities, the Safety Manager along with the Facilities Manager will work to resolve the problem. Employees will be notified via email of the unsafe condition if necessary (ex. ice in the parking lot).
3. The Safety Manager will conduct an investigation and complete Section 2 of the report.
4. Once the Safety Manager has conducted an investigation, the Safety Team will convene to discuss the near miss event and preventative actions.
5. The Safety Manager will keep the report on file in the Corporate Services Department.