

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

APPLICATION OF ELAM UTILITY)
COMPANY FOR AUTHORITY TO PURCHASE)
FACILITIES IN DAYSBORO AREA IN)
WOLFE COUNTY, KENTUCKY AND FOR A)
CERTIFICATE OF CONVENIENCE AND) CASE NO. 8463
NECESSITY TO OPERATE SAME AND FOR)
APPROVAL OF TARIFFS TO BE CHARGED)
TO THE AREA)

O R D E R

On February 19, 1982, Elam Utility Company ("Elam") filed its application with the Commission requesting permission to purchase the gas distribution system constructed and owned by residents of the Daysboro area ("Residents"). Further, Elam requested a certificate of public convenience and necessity to operate the system and approval of the rates to be charged to the residents served by the system.

In Case No. 8187, Capital Oil and Gas Company sought and received the Commission's approval to discontinue service to the Residents. Elam operated the system on an emergency basis throughout the recent winter heating season.

The Residents have contracted with Elam to sell the entire distribution system for \$33,000, which has previously been determined to be a fair and reasonable price by the Commission. This amount is to be paid to the Residents as a \$1.00 per Mcf

credit on gas bills until the \$33,000 is paid in full. The credit will be effective 6 months after the contract is signed pending certain repairs to be made to the system. The Residents have agreed to deed their interests in the system to a trustee, who in turn will deed it to Elam upon full payment.

A hearing was held at the Commission's offices in Frankfort, Kentucky, on April 29, 1982.

Findings and Orders

The Commission, after careful consideration of the evidence of record and being advised, is of the opinion and finds that:

1) Elam is ready, willing and able to provide adequate service to the Residents in a safe and efficient manner in accordance with the guidelines of the Federal Department of Transportation, Office of Pipeline Safety, and should be granted a certificate of public convenience and necessity to operate said system.

2) A contract for the purchase and sale of Residents' distribution system to Elam was entered into by both parties.

3) The rates, charges and tariffs of Elam currently in effect for present customers in West Liberty, Kentucky, with the modification of the tariffed rate for the credit of \$1.00 per Mcf until full payment to the Residents is made, should be approved for the Residents on and after the date of this order.

IT IS THEREFORE ORDERED that the terms and conditions of the transaction between the Residents and Elam be and they hereby are approved.

IT IS FURTHER ORDERED that Elam be and it hereby is granted a certificate of public convenience and necessity to operate the system.

IT IS FURTHER ORDERED that the rates, charges and tariffs of Elam currently in effect for its present customers in West Liberty, Kentucky, with modification of the tariffed rate for the credit of \$1.00 per Mcf applicable until full payment to the Residents is made, shall apply to the Residents on and after the date of this order.

Done at Frankfort, Kentucky, this 21st day of May, 1982.

PUBLIC SERVICE COMMISSION

Marlin R. Volk
Chairman

Katharine Randall
Vice Chairman

Jim Carver
Commissioner

ATTEST:

Secretary