CASE NUNBER: 99-053

Elam Utility Company 459 Main Street West Liberty, Kentucky 41472 Phone 606-743-3695

APR 201999

April 19, 1999

Public Service Commission ATTN: Helen C. Helton, Executive Director P. O. Box 615 Frankfort, Kentucky 40602

Dear Ms. Helton:

RE: CASE NO. 99-053

With regard to the transfer of a pipeline from Mountain Parkway Economic Development Authority to Elam Utility Company, Elam reports that the transfer has been completed by the document enclosed.

Please contact me at the number listed above if further information is needed.

Sincerely,

tilma B. Son

Wilma B. Ison President

copy

herein.

To have and to hold said pipeline and all rights relating thereto to the Grantee, its heirs and assigns forever. The Grantor hereby **WARRANTS** that it has ownership of the two-inch natural gas pipeline conveyed herein. The Grantor further states that it knows of no claims which have been or may be made against it or the successive owner of the pipeline and agrees to **INDEMNIFY** and hold harmless the Grantee herein for any and all claims which have been made or that may be made in the future for injuries and/or damages sustained and/or incurred during the Grantor's ownership of said pipeline.

CONSIDERATION CERTIFICATE

We, Sid Stewart and Danny Brewer, as President and Secretary, respectively, of Mountain Parkway Economic Development Authority, as Grantor, and Wilma Ison and Doug Ison, as President and Secretary of Elam Utility Company, Inc., as Grantee hereby certify that \$7,500.00 is the true, correct, and accurate consideration paid for

this conveyance.

SID STEWART, as President of Mountain Parkway Economic Development Authority, GRANTOR

DANNY BREWER, as Secretary of Mountain Parkway Economic Development Authority, GRANTOR

WILMA ISON, as President of Elam Utility Company, Inc., GRANTEE

DOUG ISON, as Secretary of Elam Utility Company, Inc., GRANTEE

COMMONWEALTH OF KENTUCKY

COUNTY OF Apricad

Subscribed and sworn to before me by Sid Stewart and Danny Brewer, by and on behalf of Mountain Parkway Economic Development Authority, as Grantor, this

<u>2</u> day of April, 1999.

My commission expires: Ward 23 2002.

Barlan) Star

COMMONWEALTH OF KENTUCKY

COUNTY OF MORGAN

Subscribed and sworn to before me by Wilma Ison and Doug Ison, by and on behalf of Elam Utility Company, Inc., as Grantee, this 2nd day of April, 1999.

My commission expires: 03-15-2003

This instrument prepared by:

Oda

HON_KIM ISON GEVEDON ATTORNEY AT LAW P.O. BOX 216 WEST LIBERTY, KY 41472 (606) 743-7620

12 313

STATE OF KENTUCKY SCT. ORGAN Williams. Clerk Morgan County for the was on the day of Prink GC1 anveyance laded is the record, whereupon the foregoing and this certificate have been duly recorded in my offic Given under my hand this D.C.



COMMONWEALTH OF KENTUCKY **PUBLIC SERVICE COMMISSION** 730 SCHENKEL LANE POST OFFICE BOX 615

FRANKFORT, KY. 40602 (502) 564-3940

CERTIFICATE OF SERVICE

RE: Case No. 99-053 ELAM UTILITY COMPANY, INC.

I, Stephanie Bell, Secretary of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the following by U.S. Mail on March 15, 1999.

Parties of Record:

Sid Stewart President Mountain Parkway Economic Development Authority Morgan County Government 450 Prestonsburg Street West Liberty, KY. 41472

Wilma Ison President Elam Utility Company, Inc. 459 Main Street West Liberty, KY. 41472

etary of the Commission

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE TRANSFER OF MOUNTAIN PARKWAY ECONOMIC DEVELOPMENT AUTHORITY TO ELAM UTILITY COMPANY

CASE NO. 99-053

On February 3, 1999, a petition was tendered by Mountain Parkway Economic Development Authority ("Mountain Parkway") seeking to authorize the transfer of a natural gas pipeline to Elam Utility Company, Inc. ("Elam"). The pipeline in question is a two-inch line which extends from the Jefferson Gas Transmission Company line to the Whiting Industries Plant, a distance of approximately 17,000 feet. The line is owned by Mountain Parkway and presently serves one industrial customer by contract. Mountain Parkway is not a public utility and, as such, is not within the jurisdiction of the Commission for purposes of KRS 278.020.

However, Elam is a utility subject to the jurisdiction of the Commission. On February 16, 1999, the Commission indicated to Mountain Parkway and Elam that the application was deficient and suggested that Elam, as a jurisdictional utility, should file the application for approval of the transfer.

On March 8, 1999, Elam filed an "Application for the Purchase and Transfer of a Gas Pipeline in Wolfe County, Kentucky." As part of the petition, Elam filed a document containing the terms of the transfer, the purchase price, and an Adoption Notice. The Commission will consider the petition tendered on March 8, 1999 as an amendment to

the prior petition and treat all deficiencies as cured as of March 8, 1999. The terms of the sale require written approval of the transfer by the Commission. However, since the pipeline is non-jurisdictional and a certificate is not required, an Adoption Notice is likewise not required.

The Commission, after reviewing the entire file, and being sufficiently advised, finds as follows:

1. Mountain Parkway is not within the jurisdiction of the Commission and, therefore, no certificate is required under KRS 278.020.

2. Elam is not required to file an Adoption Notice.

3. The sale should be approved to facilitate the transfer.

4. After the sale of the pipeline from Mountain Parkway to Elam, the pipeline will become part of Elam's system and will become jurisdictional to the Commission.

IT IS HEREBY ORDERED that:

1. The transfer of the pipeline from Mountain Parkway to Elam is approved, and Elam shall notify the Commission of the completion of the transfer within 10 days thereof.

2. This case is closed and shall be removed from the Commission's docket.

-2-

Done at Frankfort, Kentucky, this 15th day of March, 1999.

By the Commission

ATTEST:

Executive Director



COMMONWEALTH OF KENTUCKY **PUBLIC SERVICE COMMISSION** 730 SCHENKEL LANE POST OFFICE BOX 615 FRANKFORT, KY. 40602 (502) 564-3940

March 10, 1999

Sid Stewart President Mountain Parkway Economic Development Authority Morgan County Government 450 Prestonsburg Street West Liberty, KY. 41472

Wilma Ison President Elam Utility Company, Inc. 459 Main Street West Liberty, KY. 41472

RE: Case No. 99-053 ELAM UTILITY COMPANY, INC.

The Commission staff has reviewed your response of March 8, 1999 and has determined that your application in the above case now meets the minimum filing requirements set by our regulations. Enclosed please find a stamped filed copy of the first page of your filing. This case has been docketed and will be processed as expeditiously as possible.

If you need further information, please contact my staff at 502/564-3940.

Sincerely,

Stephanie Bell^{*} Secretary of the Commission

SB/hv Enclosure

MORGAN COUNTY GOVERNMENT **450 PRESTONSBURG STREET** WEST LIBERTY, KENTUCKY 41472

Sid Stewart **County Judge Executive**

February 1, 1999

Helen C. Helton, Manager Gas Branch **Public Service Commission** 730 Schenkel Lane P. O. Box 615 Frankfort, KY 40602

RE: Gas Line Located in Wolfe County

Dear Mr. Sharifi:

Cab 99-053

Presently the Mountain Parkway Economic Development Authority owns and operates a two inch gas line that extends along KY 191 for a distance of 17,000 feet from the Red River Elementary School to Whiting Manufacturing located at the junction of 205 and 191.

Mountain Parkway Economic Development Authority no longer wishes to own and operate this gas line and we wish to sell it to Elam Utility of West Liberty, KY. Elam Utility presently operates a gas line that runs parallel to the line in question. Elam Utility has submitted the high bid of \$7,500. for the purchase of this line.

The gas line was advertised for sale through a bidding process with a stipulation that no sale could be final without the written approval of the Public Service Commission, therefore, I ask you to please consider this request and grant permission to the Mountain Parkway Economic Development Authority to sell this gas line to Elam Utility.

Mountain Parkway Economic Development Authority anticipates total dissolution of the authority once this transaction is completed considering that it has no further business to conduct.

Sincerely,

Sid Stewart, President Mountain Parkway Economic Development Authority

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99-0009

PUBLIC SERVICE COMMISSION

Phone 606-743-3898 Fax 606-743-3895

FILED MAR - 8 1999

PUBLIC SERVICE

Elam Utility Company 459 Main Street

West Liberty, Kentucky 41472 Phone 606-743-3695

> February 26, 1999 AECEIVICE MAR - 8 1999 MUSLIC BERVICE

Helen C. Helton, Executive Director Public Service Commission P. D. Box 615 Frankfort, Kentucky 40602

Dear Ms. Helton:

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Thank you for your letter dated February 16, 1999 outling the requirements necessary to petition for the purchase and transfer of the gas line between Elam Utility and the Mountain Parkway Economic Development Authority.

If you have any further questions, please feel free to contact be at the nubber or address listed above.

Sincerely,

Doug and Wilca Ison

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MAR - 8 1999

COMMISSION

99-053

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

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>

APPLICATION FOR THE PURCHASE AND TRANFER OF A GAS PIPELINE IN WOLFE COUNTY, KENTUCKY

£-

CASE NO. 99-053

PETITION FOR TRANSFER OF GAS PIPLINE

Elao Utility Coopany, Inc. (Elao) and Mountain Parkway Economic Development Authority (Mountain) petition the Commission for an order granting the approval of the transfer of 17,000 square feet of natural gas pipeline in the Daysboro, Wolfe County, Kentucky area.

1. Elap is a regulated utility providing gas service to 498 customers; 448 in West Liberty, KY and 50 in Daysboro. Elap has been owned by Doug and Wilca Ison of 459 Main Street, West Liberty, Kentucky since May, 1993. The Commission approved the purchase of Elap in 1993 and the owners have proved their qualifications of managing a utility company over the past six years. Wilca has been with Elap since January 1979 and has been office manager since 1990. Doug has a college degree in the study of energy and has been with Elap since 1990.

2. Elap requests the Condission approve the purchase and transfer of the 17,000 square feet of natural gas pipeline servicing the Whiting Manufacturing Coopany pursuant to KRS278.020(5).

3. Elap is a corporation in good standing with the State of Kentucky formed May, 1936 and it's articles of incorporation are on file with the Commission.

4. It is in the public's interest in the Daysboro area for this transfer to occur due to the 16% line loss Elam has experienced with existing customers. Elam accepted the 18 customers in the Daysboro system with a 33% line loss in 1980 when it was abondoned by Capital Oil. Since that time Elam has increased the customers count to 50. Elam plans to use this line as a main to change over existing customers to reduce the line loss from the outdated main line. If Elam could reduce the present line loss, it is possible, rates in that area could be reduced because they were set up to help recover this line loss. 5. Elam has enclosed a signed adoption notice pursuant to 807 KAR 5:011, Section 11, that ratifies, and makes its own, in every respect all tariffs, rules and regulations as it's predecessor in CASE NO.

6. Elas filed with the Cossission the 1997 annual report which shows the financial condition and proves Elas has the ability to purchase this pipeline. The 1998 annual report is being prepared and will be filed by the end of March.

7. Enclosed is the advertisement of bids from Mountain and the bid by Elam; a letter from Judge Sid Stewart asking the transfer sale be accepted by the Commission and a copy of the letter from the Commission Secretary Stephanie Bell.

8. The original and 10 copies of the application are being cailed to the Commission; one to Mr. Golf and one to Judge Stewart.

For the reasons listed above, it is requested that the Petition be granted, that the Condission approve the transfer of the 17,000 square feet of natural gas pipeline from Mountain to Elan.

P.S.C. Ky. Adoption Notice No.

ADOPTION NOTICE

The undersigned ELAM UTILITY COMPANY, INC (Name of Utility) System
459 Main Street,
of <u>West Liberty</u> , <u>Kentucky</u> hereby adopts, ratifies, and makes its own, in
every respect as if the same had been originally filed and posted by it, all tariffs and
supplements containing rates, rules and regulations for furnishing
Natural Gas Service at <u>Daysboro, Wolfe County, Kentucky</u>
(Nature of Service)
in the Commonwealth of Kentucky, filed with the Public Service Commission of Kentucky
by MOUNTAIN PARKWAY ECONOMIC DEVELOPMENT
(Name of Predecessor)
(Name of Fredecessor)
of <u>West Liberty</u> , Kentucky, and in effect on the day of
, 19, the date on which the public service business of the said
MOUNTAIN PARKWAY ECONOMIC DEVELOPMENT
(Name of Predecessor) was taken over by it.
(Name of Predecessor)
(Name of Predecessor) was taken over by it.
(Name of Predecessor) was taken over by it. This notice is issued on the day of, 19, in conformity
(Name of Predecessor) was taken over by it. This notice is issued on the day of, 19, in conformity with 807 KAR 5:011, Section 11, of the Regulations for the filing of Tariffs of Public Utilities
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(Name of Predecessor) was taken over by it. This notice is issued on the day of, 19, in conformity with 807 KAR 5:011, Section 11, of the Regulations for the filing of Tariffs of Public Utilities with the Public Service Commission of Kentucky.

Authorized by K.P.S.C. Order No. _____

State of AUL, County of MOIGON Signed L. County of MOIGON of MARCH 99 Wilmarks Notary Public Kim I Heredo



COMMONWEALTH OF KENTUCKY PUBLIC SERVICE COMMISSION 730 SCHENKEL LANE POST OFFICE BOX 615 FRANKFORT, KY. 40602 (502) 564-3940

February 10, 1999

Sid Stewart President Morgan County Government 450 Prestonburg Street West Liberty, KY. 41472

RE: Case No. 99-053 ELAM UTILITY COMPANY, INC. (Transfer/Sale/Purchase/Merger) OF MOUNTAIN PARKWAY ECONOMIC DEVELOPM

This letter is to acknowledge receipt of initial application in the above case. The application was date-stamped received February 3, 1999 and has been assigned Case No. 99-053. In all future correspondence or filings in connection with this case, please reference the above case number.

If you need further assistance, please contact my staff at 502/564-3940.

Sincerely,

Stephanie Bell

Secretary of the Commission

SB/jc

MORGAN COUNTY GOVERNMENT 450 PRESTONSBURG STREET WEST LIBERTY, KENTUCKY 41472

PUBLIC SERVICE

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Phone 606-743-3898 Rax 606-743-3895

Sid Stewart County Judge Executive

February 1, 1999

Helen C. Helton, Manager Gas Branch Public Service Commission 730 Schenkel Lane P. O. Box 615 Frankfort, KY 40602

RE: Gas Line Located in Wolfe County

Dear Mr. Sharifi

Case 99-053

Presently the Mountain Parkway Economic Development Authority owns and operates a two inch gas line that extends along KY 191 for a distance of 17,000 feet from the Red River Elementary School to Whiting Manufacturing located at the junction of 205 and 191.

Mountain Parkway Economic Development Authority no longer wishes to own and operate this gas line and we wish to sell it to Elam Utility of West Liberty, KY. Elam Utility presently operates a gas line that runs parallel to the line in question. Elam Utility has submitted the high bid of \$7,500. for the purchase of this line.

The gas line was advertised for sale through a bidding process with a stipulation that no sale could be final without the written approval of the Public Service Commission, therefore, I ask you to please consider this request and grant permission to the Mountain Parkway Economic Development Authority to sell this gas line to Elam Utility.

Mountain Parkway Economic Development Authority anticipates total dissolution of the authority once this transaction is completed considering that it has no further business to conduct.

Sincerely,

Sid Stewart, President Mountain Parkway Economic Development Authority

ELAM UTILITY COMPANY

459 MAIN STREET WEST LIBERTY, KENTUCKY 41472

BID FOR NATURAL GAS LINE DAYSBORD KENTUCKY

Elam Utility Company, Inc. of 459 Main Street, West Liberty, Kentucky 41472 who is a licensed with the State of Kentucky and the Public Service Commission as a natural gas utility company operating in West Liberty and Daysboro, Kentucky.

Therefore, Elam Utility Company, Inc. issues a bid to the Mountain Parkway Economic Development Authority for the purchase of a natural gas line of approximately 17,000 square feet located at Daysboro in Wolfe County, Kentucky. Elam understands that this gas line extends from Whiting Manufacturing Company to the Jefferson Gas Transmission Company. Elam submits a bid in the \$7,500.00 (Seven Thousand Five Hundred Dollars) amount of with the understanding that the Public Service Commission must approve the sale.

Elam Utility Company is now operating a system in the Daysboro area running from 205/191 to the Jefferson Gas Transmission Company regulator station and up Lower Gilmore servicing 49 customers. Our customers would benefit from this purchase because we could abandon part of the existing main line that now has a 13% line loss and hook part of these customers up to the new main line.

Elam would like to thank Mountain Parkway Economic Development Authority for the opportunity to make this bid.

> Sincerely, Doug and Stilma box) Dougland Wilma Ison

Ovners

ADVERTISEMENT NATURAL GAS LINE FOR SALE

Mountain Parkway Economic Development Authority will be accepting scaled bids for the purpose of selling approximately 17,000 of 2" natural gas line located at Daysboro in Wolfe County, Kentucky. The gas line extends from Whiting Manufacturing (jct of Hwy. 205 and 191) to the Jefferson Gas Transmission Company line approximately 17,000 feet.

The line presently serves only one customer, Whiting Industries, and is licensed to the Mountain Parkway Economic Development Authority as a farm tap. This line was newly constructed in December 1990 and was inspected by the Public Service Commission.

Bids will only be accepted from utility companies that are presently licensed by the Ky Public Service Commission to own and operate a natural gas line. Before transfer of ownership to successful bidder, the Public Service Commission must approve.

Sealed bids will be accepted at 10:00 A.M. on Wednesday, January 28, 1999, in the office of the Morgan County Judge Executive, Sid Stewart, 450 Prestonsburg Street, West Liberty, Kentucky. For additional information please call Sid Stewart, Morgan County Judge Executive, at 606-743-3898.

Mountain Parkway Economic Development Authority reserves the right to account or reject any or all bids in the best interest of the Authority.

May Mail sealed bids to: 450 Prestonsburg Street West Liberty, KY 41472



COMMONWEALTH OF KENTUCKY PUBLIC SERVICE COMMISSION 730 SCHENKEL LANE POST OFFICE BOX 615 FRANKFORT, KENTUCKY 40602 www.psc.state.ky.us (502) 564-3940

March 4, 1999

BY TELEFAX 606/743-2292

Case No. 99-053

Ms. Wilma Ison, President Elam Utility Company 459 Main Street West Liberty, KY 41472

Re: Request for Staff Assistance

Dear Ms. Ison:

This is to confirm your telephone conversation with Staff Attorney J. R. Goff, during which you discussed your unapproved application for a rate increase, your proposed new application for a rate increase, and the transfer of a gas pipeline to Elam Utility Company.

An informal conference has been set for Monday, March 8, 1999, at 9:00 a.m., in Conference Room 2 of the Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky. Please bring complete information on the matters you wish to discuss so that the Staff can properly assist you. If you need to cancel the conference, please give sufficient notice to the Commission.

Sincerely,

Stonaw Bell

Stephanie Bell Secretary of the Commission

cc: L. Amburgey L. Faulkner G. Forman W. Bowker W. Willis B. Dotson



COMMONWEALTH OF KENTUCKY **PUBLIC SERVICE COMMISSION** 730 SCHENKEL LANE POST OFFICE BOX 615 FRANKFORT, KENTUCKY 40602 www.psc.state.ky.us (502) 564-3940 Fax (502) 564-3460 February 16, 1999

Laura Douglas, Secretary Public Protection and Regulation Cabinet

Paul E. Patton Governor

> Ms. Wilma Ison, President Elam Utility Company, Inc. 459 Main Street West Liberty, KY 41471

> > RE: Filing Requirements for Transfers Case No. 99-053

Dear Ms. Ison:

This letter is in response to your telephone call of February 11, 1999, in which you requested assistance in preparing a petition for the purchase and transfer of a gas pipeline to Elam Utility Company, Inc. ("Elam") from the Mountain Parkway Economic Development Authority ("Mountain").

On February 3, 1999, the Commission received a letter from Mountain, which informed the Commission of your bid and requested the Commission approve the transfer. However, Elam, as a regulated utility, should petition the Commission for approval of the purchase and transfer. Therefore, the application as submitted is deficient and not acceptable for filing in its present form.

Enclosed please find a filing checklist that the Commission Staff will use in determining if a transfer petition meets the filing requirements. For your petition, refer to only those areas marked in yellow. Also enclosed is a filing by another utility which you may use as an example. Since Elam is a public utility, the petition should be in the name of Elam only (not a joint petition). The law referred to in the checklist is KRS 278.020. You should also state in the petition in a separate paragraph that Elam has the financial, technical, and managerial ability to acquire and operate the line.

A signed purchase or sale agreement between Elam and Mountain should be submitted. If none exists, the letter from Judge Sid Stewart will be sufficient. Attach any document as an exhibit.

One of the most important elements is the adoption notice. If there are customers on the line you are acquiring, you must submit an Adoption Notice that Elam will adopt the present rates and regulations of Mountain for those customers. A copy of an Adoption Notice is enclosed.

Please make sure that your petition references its case number (99-053) and that it is signed and notarized. If you have any questions about preparing the petition or its attachments, please call Staff Attorney J. R. Goff at 502/564-3940, Extension 261.

Sincerely,

Helen[®] C. Helton

Executive Director

cc: Morgan County Government



AN EQUAL OPPORTUNITY EMPLOYER M/F/D



COMMONWEALTH OF KENTUCKY **PUBLIC SERVICE COMMISSION** 730 SCHENKEL LANE POST OFFICE BOX 615 FRANKFORT, KY. 40602 (502) 564-3940

February 10, 1999

Sid Stewart President Morgan County Government 450 Prestonburg Street West Liberty, KY. 41472

RE: Case No. 99-053 ELAM UTILITY COMPANY, INC. (Transfer/Sale/Purchase/Merger) OF'MOUNTAIN PARKWAY ECONOMIC DEVELOPM

This letter is to acknowledge receipt of initial application in the above case. The application was date-stamped received February 3, 1999 and has been assigned Case No. 99-053. In all future correspondence or filings in connection with this case, please reference the above case number.

If you need further assistance, please contact my staff at 502/564-3940.

Sincerely,

Bell

Stephanie Bell Secretary of the Commission

SB/jc

MORGAN COUNTY GOVERNMENT 450 PRESTONSBURG STREET WEST LIBERTY, KENTUCKY 41472

Sid Stewart County Judge Executive

February 1, 1999

Helen C. Helton, Manager Gas Branch Public Service Commission 730 Schenkel Lane P. O. Box 615 Frankfort, KY 40602

RE: Gas Line Located in Wolfe County

Dear Mr. Sharifi

22 99-053

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Mountain Parkway Economic Development Authority anticipates total dissolution of the authority once this transaction is completed considering that it has no further business to conduct.

Sincerely,

Sid Stewart, President Mountain Parkway Economic Development Authority

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PUBLIC SERVICE COMMISSION

Phone 606-743-3898 Fax 606-743-3895

FILED MAR - 8 1999 PUBLIC SERVICE