



Steven L. Beshear  
Governor

Leonard K. Peters  
Secretary  
Energy and Environment Cabinet

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

David L. Armstrong  
Chairman

James W. Gardner  
Vice Chairman

Charles R. Borders  
Commissioner

September 29, 2010

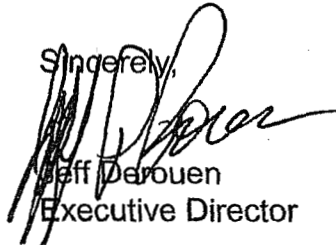
Ms. Kim Ison Gevedon  
579 Main Street, Suite 2  
P.O. Box 216  
West Liberty, KY 41472

Re: Case No. 2010-00078  
Informal Conference Memorandum

Dear Ms. Gevedon:

Enclosed please find a memorandum that has been filed into the record of the above-referenced case. Any comments regarding the contents of the memorandum should be submitted to the Commission within seven days of receipt of this letter. Any questions regarding this memorandum should be directed to Anita Mitchell of the Commission Staff at 502-564-3940.

Sincerely,



Jeff Derouen  
Executive Director

alm  
Enclosures

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: Main Case File - Case No. 2010-00078

FROM: Anita Mitchell, Legal Division

DATE: September 29, 2010

SUBJECT: Formal Conference – Case No. 2010-00078  
An investigation of Elam Utility Company Inc.'s  
Financial Condition and its Ability to Provide  
Adequate, Efficient and Reliable Service

Pursuant to notice, a Formal Conference was held in this case on June 2, 2010 to discuss the status of Elam's gas supply, Elam's financial condition and the data requests issued on April 11, 2010.

Beginning the conference, Anita Mitchell, Commission Staff ("Staff") attorney, explained that the conference was being videotaped, that the video would be made a part of the record in the proceeding and that a copy of the video would be provided to Elam. A copy of the video is attached hereto as Attachment A and will serve as the minutes to the conference.

Introduction of the participants at the conference was made on the video. The participants were:

Elam Utility Representatives:	Wilma Ison	
	Kim Gevedon, Counsel for Elam	
PSC Staff:	Anita Mitchell	J. R. Goff
	Leah Faulkner	Reggie Chaney
	Jeff Shaw	Virginia Gregg
	Aaron Greenwell	Jason Brangers
	Helen Helton	Gary Glover
	Tiffany Bowman	Bill Aiken

Ms. Ison presented documents at the conference in response to the Staff's April 11, 2010 data request. Discussions were held regarding these documents, which are attached hereto as Attachment B. After the discussion, the conference was adjourned.

ATTACHMENT A

Video Tape of Conference

ATTACHMENT B

Documents Presented at Conference by Ms. Ison of Elam Utility

APPENDIX B  
APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2010-00078 DATED APRIL 1, 2010

1. State the amount that is currently due on the September 30, 2009 Columbia Gas Transmission, LLC (TCO) judgment against Elam.

Columbia Gas which has its invoices listed under NISCOURCE does not list the amount that is due, only the monthly totals. Elam has been trying for several months to get an imbalance figure from TCO. The Judgment that was entered in the Virginia Court was for the amount of \$313,646.35. This figure does not state how much TCO projected the price of the storage gas to be, or how much has been taken each month to make this figure.

2. Explain whether Elam has incurred additional indebtedness to TCO since the September 30, 2009 judgment was rendered. If so, state the amount of Elam's current indebtedness to TCO and Elam's current imbalance on the TCO pipeline stated in DTH.

Without the measurement figures from TCO, Elam has no idea how this figure was stated but TCO says that Elam owes them 111,825 DTH as of the end of May, but Elam has ordered replacement DTH from Seminole in May 2009 which hasn't been accounted for by TCO.

3. Provide all invoices and imbalance notices Elam has received from TCO for the last five calendar years and 2010, to date.

Copies attached as Exhibit A.

4. Provide copies of any and all Settlement Agreements Elam has entered into with TCO over the past five calendar years and 2010, to date.

Copies attached as Exhibit B

5. Provide the name of all gas marketers or suppliers with whom Elam has worked to arrange gas supply on the TCO pipeline in the last five calendar years and 2010, to date. Also provide names of each marketer or supplier with who Elam is currently working to secure gas for placement on the TCO line.

Jefferson Gas 859-245-8193  
North American Energy /Seminole Energy David Rudder 859-381-1427  
Delta Natural Gas Mike Nami 606-862-6402

6. Does Elam designate or nominate the amount of gas marketer or supplier is to place on the TCO line on behalf of Elam? If the response is yes, explain the process of designating or nominating to the supplier and provide the date of Elam's last designation or nomination.

Elam contacts David Rudder at Seminole Energy to ask the current pricing. Mr. Rudder then checks with the NISOURCE website and sends Elam a statement of what the usage was and the price being charged. Elam then sends a money wire to Seminole to cover the cost. Elam has also noticed in several instances that the money wire was sent a month or longer before the gas was delivered to TCO. Exhibit C.

7. Provide the invoices from all gas marketers and supplies with whom Elam has worked in the last five calendar years and in 2010, to date.

Please see Exhibit D.

8. Does Elam have outstanding indebtedness to any of its gas marketers or suppliers, present or past? If yes, state the amount of the indebtedness as of the date of the response to each current gas marketer or supplier, as well as the amount still owed to past suppliers.

Elam does not owe any other gas company any amount past or present for gas supplied.

9. Identify gas marketers or suppliers, if any, who discontinued their working arrangement with Elam at a time when Elam was indebted to the marketer or supplier and who forgave or wrote off the indebtedness so that it is no longer an outstanding debt of Elam. Provide the amounts that were forgiven or written off.

Elam does not have any outstanding debts to gas suppliers or marketers, neither have any been written off or forgiven for the period of time that I, Wilma Ison, have owned the company. I do not know about anything before 1979 when I came to work at Elam.

10. Explain whether Elam's distribution system is interconnected such that one source of supply would be sufficient to provide gas to the entire distribution system.

No, Elam has two systems, one in Morgan County and one in Wolfe County. The one in Wolfe is supplied by Jefferson Gas. The one in Morgan is supplied from the line that comes through Menifee County and Elam is an end user of that line.

11. Has TCO provided notice of intent to terminate its service to Elam? If yes, state the following:

- a. When the notice was provided to Elam. May 17, 2010
- b. How notice was given. By certified letter, fax and email
- c. The effective date of termination.....unknown

12. In the event TCO terminate its transmission arrangement with Elam, explain Elam's plan to secure gas for its customers.

Elam has been a customer of Columbia Gas since 1936. Elam is hoping to be able to work out a workable arrangement with Columbia that will satisfy both the Commission and

Columbia, but if that is not possible and TCO terminates its transmission arrangement, Elam will have to find a local source in which to purchase the gas supply needed.

13. In Case No. 2009-00257, the Commission found that Elam had over-recovered funds through its Purchased Gas Adjustment Clause in the amount of \$249,063. Explain whether Elam maintained the over-recovered funds in its accounts or expended the funds. If Elam expended the funds, describe the expenditures. If Elam maintained the over-recovered funds in its accounts, provide the current balance of the accounts and the account type.

During the period January –June 2009 a total of \$220,000.00 was deposited to a money market account. These funds were put aside to pay for gas suppliers when a statement could be provided that gas had actually been replaced to Columbia. Check #26301 was written to Seminole Energy May 7, 2009 for the amount of \$107,100.00, another check number 26456 was written August 10, 2009 for the amount of \$11,031.37. Seminole shows that gas was put into the TCO line on June 15, 2009. Exhibit E.

14. In previous cases before this Commission, the Commission was advised that Elam was indebted to the Kentucky Department of Local Government (DLG) in the approximate amount of \$775,000. State whether Elam is currently indebted to DLG and the amount of the current indebtedness.

Elam has no balance with DLG at this time. That loan was paid off with a loan from Community Trust Bank in the amount of \$195,000.00 and Elam paid \$97,066.64.

15. If Elam is not indebted to DLG, explain the following:

- a. When payment was made to pay off the indebtedness. October 22, 2009
- b. The amount of the payoff. \$280,000.00
- c. The source of the funds used to pay off the DLG indebtedness.  
Elam paid the amount of \$97,066.64 and the balance was borrowed from Community Trust Bank in Frankfort, Kentucky

16. Provide copies of Elam's state and federal income tax returns for each of the last five fiscal years.

Exhibit F.

17. Provide the names of all persons employed by Elam for the last five calendar years and 2010, to date. Provide each individual's job description and total compensation for each of the five calendar years and 2010, to date.

Exhibit G

18. Provide the names of all persons employed by Elam for outside services for the last five calendar years and 2010, to date. Provide a description of the services performed by each

person and the total compensation for each person for each of the last five calendar years and 2010, to date.

Exhibit H

19. Provide the names of each stockholder in Elam, the shares of stock each owns, and the date that each stockholder acquired the stock.

Wilma Bradley Ison, President,	51 shares of stock acquired May 1993
Douglas Ison, Vice President	49 shares of stock acquired May 1993
Wilma Bradley Ison, President	49 shares of stock acquired June 2002 due to Divorce and settlement of property
100 shares of stock in total	

20. Provide the names of the person served with the papers regarding the initial TCO complaint and the judgment. Confirm the dates of service provided by TCO in the court documents.

Elam's attorney, Kim Ison Gevedon was served a copy and was signed by her secretary, Tina Joseph. I am not sure of the date or the time.

21. Explain why Elam did not notify the Commission of the TCO judgment.

This is the hardest question of all 21. First I didn't know that I needed to notify the Commission, but in hindsight I know that should have been my first reaction. I have had several conferences with Commission staff and I know that they are there to help me and my company with our problems. My hope is that the Commission can help me keep the gas supply to the customers of West Liberty including the EKCC prison, the schools, and the residents.

Wilma Ison  
President  
Elam Utility Company





**NiSource Gas  
Transmission & Storage®**

5151 San Felipe, Suite 2500  
Houston, Texas 77056

April 30, 2010

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

Re: FTS-1 Service Agreement No. 43444

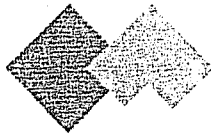
Dear Ms. Ison:

This letter is to inform you that, pursuant to Section 2 of the above-referenced service agreement between Columbia Gulf Transmission Company ("Columbia Gulf") and Elam Utility Company, Inc., Columbia Gulf is hereby exercising its right to terminate the referenced service agreement(s) at the end of its current term, effective October 31, 2010.

Columbia Gulf would be willing to enter into a new service agreement with terms to be negotiated in accordance with Section 4.1(b)(2) of Columbia Gulf's FERC Gas Tariff. If you are interested in discussing a new service agreement, please contact your Business Manager. If you have any other questions, please do not hesitate to contact me.

Sincerely,

Sandra Dibello  
Team Leader – Contracts  
sdibello@nisource.com



**NiSource Gas  
Transmission & Storage®**

5151 San Felipe, Suite 2500  
Houston, TX 77056  
713.267.4743

**W. Colin Harper**  
Senior Vice President Commercial Operations

May 17, 2010

**Via Regular and Certified Mail and Electronic Mail**

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

**Re: Notice of Credit Re-evaluation and Preliminary Adverse Determination  
Columbia Gas Transmission, LLC ("Columbia") and Columbia Gulf  
Transmission Company ("Columbia Gulf")**

Dear Ms. Ison:

Pursuant to Section 9.7(a) of the General Terms and Conditions of Columbia's Tariff, Columbia may, at any time, re-evaluate the creditworthiness of a shipper and demand adequate assurance of payment or additional adequate assurance of payment. This letter serves as notice of Columbia's adverse preliminary creditworthiness determination of Elam Utility Company, Inc. ("Elam") because it has not remained in compliance with settlement agreements dated July 15, 2006 and April 30, 2008. At the time of the April 30, 2008 settlement agreement, Elam had a long outstanding negative natural gas storage imbalance on Columbia's system of 50,934 Dth ("Negative Imbalance") on GTS contract 37816 due to its failure to replace gas that it withdrew above its storage contract quantity. Per the agreement, Elam was to pay 1,000 Dth of natural gas each month of the summer season (April through October) and 2,000 Dth of natural gas each month of the winter season (November through March), with such payment being made in kind plus its burn during those months. Elam has disregarded these agreements and has provided no supply to Columbia since May 2009. The current imbalance per Navigates on GTS contract 37816 is negative 111,825 Dth. This equates to roughly a \$644,335 credit exposure based on the estimated imbalance rate reflected in Columbia's tariff section 9.6(c). In addition to this large negative imbalance, Elam is also past due on its Columbia Gas invoices from August 2009 through March 2010 totaling \$40,757.05 and Columbia Gulf invoices from January 2010 through March 2010 totaling \$3,107.49.

Elam Utility Company, Inc.  
Attn: Wilma Ison  
May 17, 2010  
Page 2 of 2

It is further noted that the Federal Court for the Eastern District of Virginia granted Columbia a judgment against Elam on September 10, 2009 in the amount of \$313,646. Elam has made no payment toward satisfying the judgment since it was entered by the court.

Elam's financial profile per its most recently filed financial statements with the Kentucky Public Service Commission shows negative tangible net worth of \$1,352,792 and a net loss of \$59,521. Based on this weak financial profile, total credit exposure of laid out above of \$688,199.54, and the failure to make payment in satisfaction of the judgment Elam has been deemed not creditworthy.

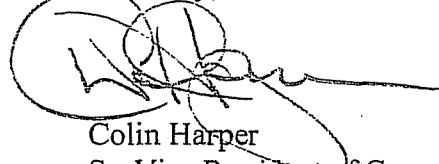
Pursuant to its Tariff, Columbia requests Elam to submit data demonstrating its continued creditworthiness within ten (10) days of this notice (by May 27, 2010). This data should be sent to the following address:

Columbia Gas Transmission, LLC  
Attn: Jamie Swartz  
200 Civic Center Drive  
Columbus, OH 43215  
jswartz@nisource.com  
(614) 460 - 6991

If Elam is unable to provide such credit data to Columbia's satisfaction, Columbia may make a final determination of creditworthiness and demand adequate assurance of payment pursuant to Section 9.6 (c) of the General Terms and Conditions of Columbia's Tariff. If adequate assurance of payment is not made at that time, Columbia will exercise its rights pursuant to Sections 9.7 (l) and 10.4 of its tariff to suspend service and terminate Elam's Service Agreement.

If you have any questions concerning this letter, please contact Jamie Swartz, Credit Relationship Manager.

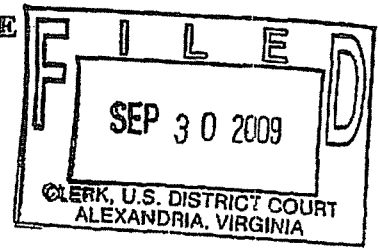
Sincerely,

A handwritten signature in black ink, appearing to read 'Colin Harper', is written over a circular stamp or seal. The signature is fluid and cursive.

Colin Harper  
Sr. Vice President of Commercial Operations

cc: Kentucky Public Service Commission

IN THE UNITED STATES DISTRICT COURT FOR THE  
EASTERN DISTRICT OF VIRGINIA  
Alexandria Division



COLUMBIA GAS TRANSMISSION, LLC, )  
Plaintiff, )  
 )  
v. )  
 )  
ELAM UTILITY COMPANY, INC., )  
Defendant. )

Civil Action No. 1:09cv655

**JUDGMENT ORDER**


Upon consideration of the September 10, 2009 Report and Recommendation of the United States Magistrate Judge designated to conduct a hearing in this matter, no objections having been filed, and upon an independent *de novo* review of the record, it is hereby **ORDERED** that the Court adopts as its own the findings of fact and recommendation of the United States Magistrate Judge, as set forth in the September 10, 2009 Report and Recommendation.

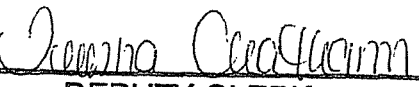
Accordingly, it is hereby **ORDERED** that judgment is **ENTERED** by default in favor of plaintiff and against defendant in the total amount of \$313,646.35.

The Clerk is **DIRECTED** to enter judgment pursuant to Rule 58, Fed. R. Civ. P. and to place this matter among the ended causes.

The Clerk is further **DIRECTED** to send a certified copy of this Judgment Order to defendant and to all counsel of record.

Alexandria, VA  
September 30, 2009

  
\_\_\_\_\_  
T. S. Ellis, III  
United States District Judge

A TRUE COPY, TESTE:  
CLERK, U.S. DISTRICT COURT  
BY   
DEPUTY CLERK

## SETTLEMENT AGREEMENT

This Settlement Agreement ("Settlement Agreement") is made and entered into this 30<sup>th</sup> day of April 2008, by and between Elam Utility Company ("Elam"), a company wholly owned by Wilma Ison, and Columbia Gas Transmission Corporation ("Columbia"). Elam and Columbia are sometimes hereafter individually designated as a "Party" and collectively as the "Parties".

### WITNESSETH

WHEREAS, Elam operates a small local distribution company in the State of Kentucky with approximately 475 customers that is regulated by the Kentucky Public Service Commission;

WHEREAS, Elam and Columbia are parties to certain service agreements under which Elam receives service under Rate Schedule GTS to Columbia's Federal Energy Regulatory ("FERC") Gas Tariff;

WHEREAS, Elam, as a Shipper under Columbia's GTS Rate Schedule, has the right to withdraw gas above its storage contract quantity, provided that it replaces such gas in a timely manner;

WHEREAS, Elam currently has a long outstanding negative natural gas storage imbalance on Columbia's system of 50,934 Dth ("Negative Imbalance") due to its failure to replace gas that it withdrew above its storage contract quantity;

WHEREAS, to date, Elam has not replaced the gas volumes it owes to Columbia, even though the failure to replace such gas means that the gas was unlawfully taken off of Columbia's system;

WHEREAS, after considering the facts at issue and the benefits to be received by each Party under this Settlement Agreement, the Parties have agreed to settle, fully and finally, Elam's Negative Imbalance on the terms set forth below; and

NOW, THEREFORE, in consideration of the premises, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties covenant and agree as follows:

#### 1. PAYMENT.

1.1 Upon execution of this Agreement, Elam agrees to pay to Columbia 1,000 Dth of natural gas each month of the summer season (April through October), and 2,000 W3 Dth of natural gas each month of the winter season (November through March), with such payment being made in kind. The natural gas that Elam shall pay in kind each

month shall be in addition to Elam's normal usage for the subject month. Elam shall make such payments each month until such time as the negative imbalance of 50,934 Dth is paid in full ("Final Payment").

1.2 Elam agrees that its payment obligation under this Agreement described in Section 1.1 will survive any sale of Elam and/or Elam's assets, whether voluntary or ordered by a court or regulatory body. Elam will secure its payment obligation under Section 1.1 in the event of sale by requiring any purchaser of Elam and/or Elam's assets to agree in writing to assume Elam's payment obligation described in Section 1.1. To the extent Elam's successor fulfills the payment obligation, Elam's continuing payment obligation will be reduced in proportion to the payments made by Elam's successor. Otherwise, the payment obligation will remain with Elam or its individual owners.

## 2. EXECUTION AND DELIVERY; REQUISITE POWER.

2.1 Each Party represents and warrants that: (i) it has the power to execute, deliver and perform this Settlement Agreement; (ii) all necessary action has been taken to authorize the execution, delivery and performance of this Settlement Agreement; (iii) no consent or approval of any person or entity, and no consent, approval, authorization or declaration of any governmental authority, bureau, commission or agency, is required in connection with the execution, delivery and performance of this Settlement Agreement by such Party or the validity or enforceability of this settlement Agreement; and (iv) this Settlement Agreement has been duly executed and delivered by, and constitutes the valid and legally binding obligation of such Party, enforceable in accordance with its terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, or other similar laws, now or hereafter in effect, relating to or affecting the enforcement of creditors' rights generally; and (v) such Party has not assigned, sold or otherwise transferred any rights relating to the Matters to a subsidiary, affiliate, customer or other third party.

## 3. CONFIDENTIALITY.

3.1 Elam and Columbia, on their behalf and on behalf of their attorneys, employees, and agents agree that, with the exception of providing a copy to the Kentucky Public Service Commission, the terms of this Settlement Agreement are and shall remain confidential, and they shall not make any revelation, disclosure, or comment to any person or entity of the terms of this Settlement Agreement. In the event that any person or entity seeks disclosure of this Settlement Agreement, the parties hereto agree that they shall use reasonable efforts to immediately notify each other and their respective counsel of the request for disclosure, and each party shall have an opportunity to take whatever action it deems necessary to oppose or limit such disclosure. However, a failure to so notify of a request for disclosure shall not

be grounds for breach of this Settlement Agreement. In the event of breach of this confidentiality provision, the parties intend this confidentiality provision to be, and is, severable from the other terms of this Settlement Agreement, and each may resort to or invoke any appropriate remedy at law or in equity.

#### 4. MISCELLANEOUS.

4.1 Scope of Agreement. This Settlement Agreement shall be binding upon Elam and Columbia and their successors and affiliated entities, and upon their administrators, representatives, executors, and assigns, and shall inure to the benefit of each of them.

4.2 Governing Law. This Settlement Agreement shall be governed by, and interpreted and construed in accordance with, the laws of the State of West Virginia, without giving effect to any choice of law rules that may require the application of the laws of another jurisdiction.

4.3 Entire Agreement. This Settlement Agreement embodies the entire agreement and understanding of the Parties with respect to the subject matter contained herein and supersedes all prior and contemporaneous negotiations, agreements and understandings, written or oral, with respect to the subject matter hereof. This Settlement Agreement may be amended only in writing signed by both Parties.

IN WITNESS WHEREOF, Elam and Columbia have caused this Settlement Agreement to be executed by their duly authorized representative on the day and year first above written.


ELAM UTILITY COMPANY

By: Elam Utility Co.

Name: Shilma Bon

Its: President

COLUMBIA GAS TRANSMISSION CORPORATION *gse*

By: 

Name: Brian K. Adams

Its: Vice President - Marketing



9:31 PM

06/01/10

**Elam Utility Company, Inc.**  
**Checks for Jefferson Gas**  
**January through December 2009**

<u>Num</u>	<u>Date</u>	<u>Account</u>	<u>Amount</u>
<b>Jan - Dec 09</b>			
26620	12/8/2009	131 Checking Acco...	1,081.50
26599	11/10/2009	131 Checking Acco...	564.88
26536	10/1/2009	131 Checking Acco...	209.82
26486	9/3/2009	131 Checking Acco...	117.42
26434	8/7/2009	131 Checking Acco...	406.40
26382	7/6/2009	131 Checking Acco...	197.44
26348	6/10/2009	131 Checking Acco...	315.12
26309	5/11/2009	131 Checking Acco...	865.23
26241	4/2/2009	131 Checking Acco...	1,788.40
26191	3/3/2009	131 Checking Acco...	3,582.15
26146	2/4/2009	131 Checking Acco...	5,080.34
26092	1/5/2009	131 Checking Acco...	5,638.08
<b>Jan - Dec 09</b>			<b>19,846.78</b>

9:31 PM

06/01/10

**Elam Utility Company, Inc.**  
**Checks for Jefferson Gas**  
**January through December 2009**

<u>Num</u>	<u>Date</u>	<u>Account</u>	<u>Amount</u>
<b>Jan - Dec 09</b>			
26620	12/8/2009	131 Checking Acco...	1,081.50
26599	11/10/2009	131 Checking Acco...	564.88
26536	10/1/2009	131 Checking Acco...	209.82
26486	9/3/2009	131 Checking Acco...	117.42
26434	8/7/2009	131 Checking Acco...	406.40
26382	7/6/2009	131 Checking Acco...	197.44
26348	6/10/2009	131 Checking Acco...	315.12
26309	5/11/2009	131 Checking Acco...	865.23
26241	4/2/2009	131 Checking Acco...	1,788.40
26191	3/3/2009	131 Checking Acco...	3,582.15
26146	2/4/2009	131 Checking Acco...	5,080.34
26092	1/5/2009	131 Checking Acco...	5,638.08
<b>Jan - Dec 09</b>			<b>19,846.78</b>

9:31 PM

06/01/10

**Elam Utility Company, Inc.**  
**Checks for Jefferson Gas**  
**January through March 2010**

<u>Num</u>	<u>Date</u>	<u>Account</u>	<u>Amount</u>
<b>Jan - Mar 10</b>			
26765	3/2/2010	131 Checking Acco...	4,259.58
26719	2/3/2010	131 Checking Acco...	4,263.00
26657	1/5/2010	131 Checking Acco...	3,509.33
<b>Jan - Mar 10</b>			<b>12,031.91</b>

9:34 PM

06/01/10

**Elam Utility Company, Inc.**  
**Checks for Jefferson Gas**  
**April through June 2010**

<u>Num</u>	<u>Date</u>	<u>Account</u>	<u>Amount</u>
<b>Apr - Jun 10</b>			
26876	5/5/2010	131 Checking Acco...	755.70
26835	4/12/2010	131 Checking Acco...	2,923.17
<b>Apr - Jun 10</b>			<b>3,678.87</b>

9:29 PM

06/01/10

**Elam Utility Company, Inc.**  
**Checks for Columbia Gulf Transmission**  
**January through December 2009**

<u>Num</u>	<u>Date</u>	<u>Account</u>	<u>Amount</u>
Jan - Dec 09			
26646	12/22/2009	131 Checking Acco...	6,020.19
26338	6/2/2009	131 Checking Acco...	4,101.08
26123	1/20/2009	131 Checking Acco...	1,025.27
26068	1/7/2009	131 Checking Acco...	1,025.27
Jan - Dec 09			<u>12,171.81</u>

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06/01/10

**Elam Utility Company, Inc.**  
**Checks for Columbia Gulf Transmission**  
**April 1 through June 1, 2010**

<u>Num</u>	<u>Date</u>	<u>Account</u>	<u>Amount</u>
Apr 1 - Jun 1, 10			
26967	5/26/2010	131 Checking Acco...	5,126.35
Apr 1 - Jun 1, 10			<u>5,126.35</u>

9:28 PM

06/01/10

**Elam Utility Company, Inc.**  
**Checks for Columbia Gas Transmission Corporation**  
**January through December 2009**

<u>Num</u>	<u>Date</u>	<u>Account</u>	<u>Amount</u>
<b>Jan - Dec 09</b>			
26645	12/22/2009	131 Checking Acco...	8,202.16
26337	6/2/2009	131 Checking Acco...	16,914.64
26122	1/20/2009	131 Checking Acco...	4,934.00
26124	1/20/2009	131 Checking Acco...	6,188.73
26069	1/7/2009	131 Checking Acco...	478.58
<b>Jan - Dec 09</b>			<b>36,718.11</b>

9:28 PM  
06/01/10

Elam Utility Company, inc.  
Checks for Columbia Gas Transmission Corporation  
April 1 through June 1, 2010

<u>Num</u>	<u>Date</u>	<u>Account</u>	<u>Amount</u>
Apr 1 - Jun 1, 10			
26968	5/26/2010	131 Checking Acco...	27,033.87
Apr 1 - Jun 1, 10			<u>27,033.87</u>



JUN. 1. 2010 2:53PM

SEMINOLE ENERGY

NO. 0019 P. 1

Item: 6/1/2010 2:32:02 PM  
 ser Date: 6/1/2010

Seminole Energy Services, LLC  
 TRANSACTION BY CUSTOMER INQUIRY REPORT  
 Receivables Management

Page: 1  
 User ID: mpierce

Customer ID: 100-38503

Elam Utility Company, Inc.

Origines: From: To:  
 Document Number First Last  
 Document Date First Last

Sorted By: Document Date

Include: Work, Open, History

\* Voided

Origin	Type	Document Number	Check Number	Due Date	Audit Trail Code	Batch ID	Currency ID
Doc Date	Description	Discount Amount	Writeoff Amount	Document Amount	Amount Remaining		
History	SLS	100-38503-022008		3/25/2008	RMSLS00002384	ELAM	
3/15/2008				\$0.00	\$0.00	\$97,500.00	\$0.00
History	CR	CREDIT0001300		3/25/2008	RMSLS00002385	ELAM2	
3/25/2008	Payment made to N.American	\$0.00	\$0.00	(\$97,500.00)			\$0.00
History	PMT	PYMNT0106798	WIRE8829		RMCSH00003059	051408	
5/14/2008		\$0.00	\$0.00	(\$120,000.00)			\$0.00
History	PMT	PYMNT0108023	WIRE8683		RMCSH00003080	052208	
5/22/2008		\$0.00	\$0.00	(\$32,760.74)			\$0.00
History	SLS	100-38503-052008		6/25/2008	RMSLS00002666	GMS200805011806	
6/15/2008		\$0.00	\$0.00	\$154,947.04			\$0.00
History	PMT	PYMNT0112885	WIRE1483		RMCSH00003215	070808	
7/8/2008		\$0.00	\$0.00	(\$33,000.00)			\$0.00
History	PMT	PYMNT0115997	WIRE4523		RMCSH00003296	080608	
8/6/2008		\$0.00	\$0.00	(\$15,000.00)			\$0.00
History	SLS	100-38503-072008		8/25/2008	RMSLS00002833	GMS200807011818	
8/15/2008		\$0.00	\$0.00	\$32,339.55			\$0.00
History	SLS	100-38503-082008		9/25/2008	RMSLS00002900	GMS200808011818	
9/15/2008		\$0.00	\$0.00	\$14,695.08			\$0.00
Open	PMT	PYMNT0127434	CUSTACH9362		RMCSH00003600	112108	
11/21/2008		\$0.00	\$0.00	(\$8,020.00)			\$0.00
History	SLS	100-38503-112008		12/25/2008	RMSLS00003157	GMS200811011820	
12/15/2008		\$0.00	\$0.00	\$6,799.00			\$0.00
History	PMT	PYMNT0129859	WIRE2737		RMCSH00003656	121508	
12/15/2008		\$0.00	\$0.00	(\$18,820.00)			\$0.00
Open	PMT	PYMNT0132550	WIRE8090		RMCSH00003721	010809	
1/8/2009		\$0.00	\$0.00	(\$13,198.80)			\$0.00
Open	PMT	PYMNT0132551	WIRE8091		RMCSH00003721	010809	
1/8/2009		\$0.00	\$0.00	(\$13,198.80)			\$0.00
Open	SLS	100-38503-122008		1/25/2009	RMSLS00003245	GMS200812011819	
1/15/2009		\$0.00	\$0.00	\$18,886.65			\$0.00
Open	SLS	100-38503-012009		2/25/2009	RMSLS00003353	MANUALSRM29416	
2/15/2009		\$0.00	\$0.00	\$26,501.12			\$0.00
Open	DR	W038503021509		2/25/2009	RMSLS00003268	021509 WRITEOFF	
2/15/2009		\$0.00	\$0.00	\$0.07			\$0.00

JUN. 1. 2010 2:54PM

SEMINOLE ENERGY

NO. 3019 P. 1

Item: 6/1/2010 2:32:02 PM  
Tr Date: 6/1/2010

Seminole Energy Services, LLC  
TRANSACTION BY CUSTOMER INQUIRY REPORT  
Receivables Management

Page: 2  
User ID: mpierce

Customer ID: 100-38503

Elam Utility Company, Inc.

Voided

Origin	Type	Document Number	Check Number	Due Date	Audit Trail Code	Batch ID	Currency ID	
Doc Date	Description	Discount Amount	Writeoff Amount	Document Amount	Amount Remaining			
Open 5/11/2009	PMT PYMTF0147935		WIRE0917	\$0.00	RMCSH00004059	051109		
					\$0.00	(\$107,100.00)	\$0.00	
Open 6/15/2009	SLS 100-0905-463E			6/25/2009 \$0.00	RMBSL00003702	MANUALGEM30013		
					\$0.00	\$117,961.20	\$0.00	
Open 8/11/2009	PMT PYMTF0160385		WIRE0908	\$0.00	RMCSH00004308	081109		
					\$0.00	(\$11,031.37)	\$0.00	
Total Documents: 20					Totals:		\$0.00	\$0.00



Please direct invoice inquiries to Customer Service:  
 Phone (918) 858-1532  
 Fax (918) 477-3434  
 sward@seminoleenergy.com

Phone: (606) 734-3695 Fax: (606) 743-2292

**Sold To:** Elam Utility Company, Inc.  
 Attn: Wilma Ison  
 459 Main Street  
 West Liberty, KY 41472

**Customer No.:** 100-38503  
**Invoice No.:** 100-0905-4636  
**Invoice Date:** June 15, 2009  
**Amount Due By:** June 25, 2009

Pipeline	Point	Meter	Month	Days	Nom /Act	Total MMBtu	Rate	Amount
TCO	TCO Elam	TCO Elam	May 09	9-9	A	28,086	\$4.2000	\$117,961.20
<b>Total Amount Due</b>						<b>28,086</b>		<b>\$117,961.20</b>

5/7/09 Pd ck# 26301 - 107,100.00  
 8/10/09 pd ck# 26456 - 11,031.37

Please remit checks to:  
 Seminole Energy Services, L.L.C.  
 Dept. 1886  
 Tulsa, Oklahoma 74182

Wire Instructions:  
 Seminole Energy Services, L.L.C.  
 Bank of Oklahoma Tulsa, Oklahoma  
 ABA# 103900036 Acct# 208339443

Routing/Transit Number 042106331  
REQUEST FOR ELECTRONIC FUNDS TRANSFER

Request Type:      In Person\*      Letter\*      Telephone\*/No.      Time     

Payment Type:  Check (Coml Bk Only)      Debit Acct.      Loan Debit      Cash In

\*Is the person placing the order the originator? YES  NO      \*If "NO" also complete "Non-Originator Information" section and mark "Type of ID", "Issued By", and "ID No." sections in "Originator Information" as "N/A". If "YES" do not complete the "Non-Originator Information" section.

<b>TRANSFER INFORMATION</b>		Date <u>    </u> Domestic <input checked="" type="checkbox"/> International <u>    </u>
Sending ABA: <u>042106331</u>	Bank Name: <u>COMMERCIAL BANK</u>	
Receiver ABA: <u>1039000036</u>	Bnk Name: <u>BANK OF OKLAHOMA</u>	
SHORTNAME: <u>    </u>	Bank City/State: <u>Tulsa, OK</u>	
Further Credit Bank Information <u>Bank of Oklahoma</u>		
Amount \$ <u>107,100.00</u>	Reference No: <u>25,500 DTH</u>	

<b>ORIGINATOR INFORMATION</b>	
Customer Name <u>Elam Utility Co.</u>	SS/TIN <u>[REDACTED]</u>
Street Address <u>459 Main St</u>	
City, State, ZIP <u>West Liberty Ky 41472</u>	
Originator ID Information:	The account to be debited for the transaction:
**Type of ID <u>Drivers License</u>	Originator's Account Number <u>00013201</u>
**ID Number <u>[REDACTED]</u>	Acct Title of Originator <u>Elam Utility Co. Puro.</u>
**Issued by <u>    </u>	Available Balance <u>    </u>
<i>**Required only if request is made in person</i>	
Method of Identification (If not in Person) <u>    </u>	
Call Back Information Phone # <u>    </u>	Person speaking to: <u>    </u> Time <u>    </u>

<b>BENEFICIARY INFORMATION</b>	
Name of Beneficiary <u>North American Energy/Seminole Energy Services LLC</u>	
Address, City, State, Zip <u>1323 E. 71st St, Suite 300, Tulsa OK 74136</u>	
Account Number of Beneficiary <u>209908989</u>	
Further Credit/Payment instructions <u>Please contact David Rudder</u>	



ELAM UTILITY COMPANY, INC.  
459 MAIN STREET (606) 743-3695  
WEST LIBERTY, KY 41472-1013

@ 4:20  
per DTH

COMMERCIAL BANK  
WEST LIBERTY, KY 41472  
73-633/421

26301

5/7/2009

PAY TO THE ORDER OF

Commercial Bank

\$ \*\*107,100.00

One Hundred Seven Thousand One Hundred and 00/100\*\*\*\*\*

DOLLARS

COMMERCIAL BANK  
P. O. BOX 635  
WEST LIBERTY, KY 41472

ELAM UTILITY COMPANY, INC.

Shilma Box

MEMO





### Short Report by Receipt Loc Prop

TSP Name TCO

Date

Service Requester	Code	Name	Contract	Act Cd	Beginning	5/1/2009
076805019	Elam		37816		Ending	5/31/2009

Rec Loc Prop	Service Provider	Contract	Act Code	Sched Rec Qty	Sched Del Qty
P1037323	Elam	37816	5	4,092 A	4,000 A
P1037323	TCO	37816	14	23,994 A	23,448 A

Receipt Loc Prop P1037323 Totals 28,086 27,448

STOR	TCO	37816	15	23,448 A	23,412 A
STOR		37816	16	921 A	921 A

STOR	TCO	37816	20	3,863 A	3,859 A
------	-----	-------	----	---------	---------

Receipt Loc Prop STOR Totals 28,232 28,192

NNZTCO	Elam	37816	17	2,942 A	2,942 A
--------	------	-------	----	---------	---------

NNZTCO	TCO	37816	19	3,863 A	3,863 A
--------	-----	-------	----	---------	---------

Receipt Loc Prop NNZTCO Totals 921 921

INV	TCO	37816	18	921 A	921 A
-----	-----	-------	----	-------	-------

Receipt Loc Prop INV Totals 921 921

Grand Totals 58,160 57,482

To Elam from #37323 4,092  
23,994

Total - 28,086 DTH

Pre Paid - (25,500) DTH

Total due - 2,586 DTH @ \$4.20

= \$10,861.20

+ 170.17

\$11,031.37 pd CK# 26456

Routing/Transit Number 042106331  
REQUEST FOR ELECTRONIC FUNDS TRANSFER

Request Type:      In Person\*      Letter\*      Telephone\*/No.      Time     

Payment Type:      Check (Coml Bk Only)      Debit Acct.      Loan Debit      Cash In

\*Is the person placing the order the originator? YES      NO      \*If "NO" also complete "Non-Originator Information" section and mark "Type of ID", "Issued By", and "ID No." sections in "Originator Information" as "N/A". If "YES" do not complete the "Non-Originator Information" section.

<b>TRANSFER INFORMATION</b>		Date <u>    </u>	Domestic <u>X</u>	International <u>    </u>
Sending ABA: <u>042106331</u>	Bank Name: <u>COMMERCIAL BANK</u>			
Receiver ABA: <u>103900036</u>	Bnk Name: <u>Bank of Oklahoma</u>			
SHORTNAME: <u>    </u>	Bank City/State: <u>Tulsa, OK</u>			
Further Credit Bank Information <u>Bank of Oklahoma</u>				
Amount \$ <u>11,031.37</u>		Reference No: <u>    </u>		

<b>ORIGINATOR INFORMATION</b>	
Customer Name: <u>Elam Utility Co</u>	SS/TIN <u>    </u>
Street Address <u>459 Main St</u>	
City, State, ZIP <u>West Liberty, Ky 41472</u>	
Originator ID Information:	The account to be debited for the transaction:
**Type of ID <u>Drivers License</u>	Originator's Account Number <u>00013201</u>
**ID Number <u>    </u>	Acct Title of Originator <u>Elam Utility Co President</u>
**Issued by <u>    </u>	Available Balance <u>    </u>
**Required only if request is made in person	
Method of Identification (If not in Person) <u>    </u>	
Call Back Information Phone # <u>    </u>	Person speaking to: <u>    </u> Time <u>    </u>

<b>BENEFICIARY INFORMATION</b>	
Name of Beneficiary <u>North American Energy/Seminole Energy Services LLC</u>	
Address, City, State, Zip <u>1323 E. 71st Street, Suite 300, Tulsa OK 74136</u>	
Account Number of Beneficiary <u>209908989</u>	
Further Credit/Payment instructions <u>Please contact DAVID Rudder</u>	



**ELAM UTILITY COMPANY, INC.**  
459 MAIN STREET (606) 743-3695  
WEST LIBERTY, KY 41472-1013

**COMMERCIAL BANK**  
WEST LIBERTY, KY 41472  
73-633/421

26456

8/10/2009

AY TO THE  
RDER OF

Commercial Bank

\$ \*\*11,031.37

Eleven Thousand Thirty-One and 37/100\*\*\*\*\*

DOLLARS

COMMERCIAL BANK  
P. O. BOX 635  
WEST LIBERTY, KY 41472

ELAM UTILITY COMPANY, INC.

*Debra Bon*

EMC

money wire to NAE



**Elam Utility Company, Inc.**  
**Vendor QuickReport**  
 January 1, 2005 through June 1, 2010

Type	Date	Num	Memo	Account	Clr	Split	Amount
Jefferson Gas							
Check	1/4/2005	23918	1300-1303	131 Checking Acco...	X	-SPLIT-	-3,978.43
Check	2/8/2005	23978		131 Checking Acco...	X	-SPLIT-	-3,861.76
Check	3/10/2005	24034		131 Checking Acco...	X	-SPLIT-	-2,406.95
Check	4/5/2005	24068		131 Checking Acco...	X	-SPLIT-	-2,178.28
Check	5/10/2005	24121	J01303 J01300	131 Checking Acco...	X	-SPLIT-	-895.32
Check	6/14/2005	24169		131 Checking Acco...	X	-SPLIT-	-455.95
Check	7/11/2005	24198		131 Checking Acco...	X	-SPLIT-	-135.49
Check	8/10/2005	24232	J01300 J01...	131 Checking Acco...	X	-SPLIT-	-115.22
Check	9/19/2005	24277	J01303	131 Checking Acco...	X	-SPLIT-	-143.04
Check	10/10/2005	24308		131 Checking Acco...	X	-SPLIT-	-139.10
Check	11/8/2005	24340		131 Checking Acco...	X	-SPLIT-	-776.57
Check	12/8/2005	24391		131 Checking Acco...	X	-SPLIT-	-4,252.27
Check	1/5/2006	24446		131 Checking Acco...	X	-SPLIT-	-7,946.40
Check	2/3/2006	24498		131 Checking Acco...	X	-SPLIT-	-4,476.32
Check	3/10/2006	24534		131 Checking Acco...	X	-SPLIT-	-4,844.84
Check	4/6/2006	24580		131 Checking Acco...	X	-SPLIT-	-2,857.40
Check	5/8/2006	24625		131 Checking Acco...	X	-SPLIT-	-1,233.54
Check	6/7/2006	24658		131 Checking Acco...	X	-SPLIT-	-768.07
Check	7/5/2006	24709	J01303	131 Checking Acco...	X	-SPLIT-	-79.40
Check	8/9/2006	24770		131 Checking Acco...	X	2322 A/P JEF...	-51.80
Check	9/7/2006	24813		131 Checking Acco...	X	-SPLIT-	-76.95
Check	10/10/2006	24870		131 Checking Acco...	X	-SPLIT-	-82.83
Check	11/6/2006	24905		131 Checking Acco...	X	-SPLIT-	-908.28
Check	12/8/2006	24951		131 Checking Acco...	X	-SPLIT-	-2,619.54
Check	1/5/2007	24997		131 Checking Acco...	X	-SPLIT-	-3,507.04
Check	2/7/2007	25040		131 Checking Acco...	X	-SPLIT-	-4,688.76
Check	3/7/2007	25082		131 Checking Acco...	X	-SPLIT-	-5,557.68
Check	4/10/2007	25143		131 Checking Acco...	X	-SPLIT-	-2,304.60
Check	5/9/2007	25183		131 Checking Acco...	X	-SPLIT-	-1,685.16
Check	6/6/2007	25227		131 Checking Acco...	X	2322 A/P JEF...	-483.89
Check	7/9/2007	25271		131 Checking Acco...	X	-SPLIT-	-173.47
Check	8/9/2007	25311		131 Checking Acco...	X	-SPLIT-	-168.84
Check	9/10/2007	25348	J01303	131 Checking Acco...	X	2322 A/P JEF...	-95.40
Check	10/4/2007	23586	J01303	131 Checking Acco...	X	2322 A/P JEF...	-139.50
Check	11/1/2007	25418		131 Checking Acco...	X	-SPLIT-	-244.76
Check	12/3/2007	25477		131 Checking Acco...	X	-SPLIT-	-2,297.58
Check	12/31/2007	25537		131 Checking Acco...	X	-SPLIT-	-4,048.72
Check	2/5/2008	25600		131 Checking Acco...	X	-SPLIT-	-11,374.44
Check	3/4/2008	25635		131 Checking Acco...	X	-SPLIT-	-9,829.69
Check	4/1/2008	25683		131 Checking Acco...	X	-SPLIT-	-4,310.98
Check	5/5/2008	25738		131 Checking Acco...	X	-SPLIT-	-1,563.30
Check	6/5/2008	25787		131 Checking Acco...	X	-SPLIT-	-369.72
Check	7/10/2008	25842		131 Checking Acco...	X	-SPLIT-	-190.23
Check	8/6/2008	25882		131 Checking Acco...	X	-SPLIT-	-223.00
Check	9/8/2008	25918		131 Checking Acco...	X	-SPLIT-	-165.24
Check	10/10/2008	25959		131 Checking Acco...	X	-SPLIT-	-24.90
Check	11/10/2008	25993		131 Checking Acco...	X	-SPLIT-	-534.75
Check	12/8/2008	26034	J01303	131 Checking Acco...	X	-SPLIT-	-3,109.59
Check	1/5/2009	26092		131 Checking Acco...	X	-SPLIT-	-5,638.08
Check	2/4/2009	26146		131 Checking Acco...	X	-SPLIT-	-5,080.34
Check	3/3/2009	26191	J01303	131 Checking Acco...	X	-SPLIT-	-3,582.15
Check	4/2/2009	26241		131 Checking Acco...	X	-SPLIT-	-1,788.40
Check	5/11/2009	26309		131 Checking Acco...	X	-SPLIT-	-865.23
Check	6/10/2009	26348		131 Checking Acco...	X	-SPLIT-	-315.12
Check	7/6/2009	26382		131 Checking Acco...	X	-SPLIT-	-197.44
Check	8/7/2009	26434	J01303	131 Checking Acco...	X	-SPLIT-	-406.40
Check	9/3/2009	26486		131 Checking Acco...	X	-SPLIT-	-117.42
Check	10/1/2009	26536		131 Checking Acco...	X	-SPLIT-	-209.82
Check	11/10/2009	26599		131 Checking Acco...	X	-SPLIT-	-564.88
Check	12/8/2009	26620		131 Checking Acco...	X	-SPLIT-	-1,081.50
Check	1/5/2010	26657		131 Checking Acco...	X	-SPLIT-	-3,509.33
Check	2/3/2010	26719	J01303	131 Checking Acco...	X	-SPLIT-	-4,263.00
Check	3/2/2010	26765		131 Checking Acco...	*	-SPLIT-	-4,259.58
Check	4/12/2010	26835		131 Checking Acco...		-SPLIT-	-2,923.17
Check	5/5/2010	26876		131 Checking Acco...		-SPLIT-	-755.70

**Elam Utility Company, Inc.**  
**Vendor QuickReport**  
 January 1, 2005 through June 1, 2010

Type	Date	Num	Memo	Account	Clr	Split	Amount
<b>Columbia Gas Transmission Corporation</b>							
Check	1/11/2005	23940	TR-1104-046...	131 Checking Acco...	X	2321 A/P COL...	-2,982.53
Check	2/8/2005	23984	TR-1204-046...	131 Checking Acco...	X	2321 A/P COL...	-4,515.42
Check	2/17/2005	23998	TR-0105-046...	131 Checking Acco...	X	2321 A/P COL...	-1,163.63
Check	3/10/2005	24033	FCH-010500...	131 Checking Acco...	X	431 Other Inte...	-10.93
Check	4/5/2005	24069	TR-0205-046...	131 Checking Acco...	X	2321 A/P COL...	-6,658.15
Check	7/15/2005	24212	TR-0505-046...	131 Checking Acco...	X	2321 A/P COL...	-76.46
Check	7/15/2005	24214	TR-0405-046...	131 Checking Acco...	X	2321 A/P COL...	-1,262.33
Check	8/22/2005	24253		131 Checking Acco...	X	2321 A/P COL...	-4,894.81
Check	9/19/2005	24284	fch-070500002	131 Checking Acco...	X	431 Other Inte...	-26.38
Check	10/10/2005	24314		131 Checking Acco...	X	-SPLIT-	-724.10
Check	10/18/2005	24323	TR-0805-046...	131 Checking Acco...	X	2321 A/P COL...	-630.44
Check	10/18/2005	24324	TR-0905-046...	131 Checking Acco...	X	2321 A/P COL...	-631.22
Check	11/8/2005	24347	fch-080500002	131 Checking Acco...	X	431 Other Inte...	-19.58
Check	11/16/2005	24367	TR-1005-046...	131 Checking Acco...	X	2321 A/P COL...	-1,716.24
Check	12/22/2005	24427	TR-1105-046...	131 Checking Acco...	X	2321 A/P COL...	-3,460.18
Check	1/17/2006	24467	TR-1205-046...	131 Checking Acco...	X	2321 A/P COL...	-7,043.94
Check	2/21/2006	24515	TR-0106-046...	131 Checking Acco...	X	2321 A/P COL...	-5,099.04
Check	3/23/2006	24558	TR-0206-046...	131 Checking Acco...	X	2321 A/P COL...	-6,006.25
Check	4/19/2006	24602		131 Checking Acco...	X	2321 A/P COL...	-4,611.38
Check	6/13/2006	24683	TR-0406-046...	131 Checking Acco...	X	2321 A/P COL...	-1,600.16
Check	6/13/2006	24685	TR-0506-046...	131 Checking Acco...	X	2321 A/P COL...	-1,273.02
Check	7/25/2006	24748	TR-0606-046...	131 Checking Acco...	X	2321 A/P COL...	-691.42
Check	8/21/2006	24789	Tr-0706-0462...	131 Checking Acco...	X	2321 A/P COL...	-612.53
Check	10/26/2006	24891	Tr-0806-0462...	131 Checking Acco...	X	2321 A/P COL...	-580.05
Check	10/26/2006	24893	Tr-0906-0462...	131 Checking Acco...	X	2321 A/P COL...	-760.25
Check	11/6/2007	25433	TR-0907-046...	131 Checking Acco...	X	-SPLIT-	-8,490.89
Check	12/3/2007	25485	TR-1007-046...	131 Checking Acco...	X	2321 A/P COL...	-1,256.44
Check	12/18/2007	25506	TR-1107-046...	131 Checking Acco...	X	2321 A/P COL...	-2,291.30
Check	12/18/2007	25507	TR-1107-046...	131 Checking Acco...	X	2321 A/P COL...	-1,025.27
Check	1/15/2008	25569	TR-1207-046...	131 Checking Acco...	X	2321 A/P COL...	-4,006.46
Check	2/14/2008	25611	TR-0108-046...	131 Checking Acco...	X	2321 A/P COL...	-7,311.61
Check	4/10/2008	25697		131 Checking Acco...	X	2321 A/P COL...	-10,110.61
Check	5/21/2008	25759	TR-0408-046...	131 Checking Acco...	X	2321 A/P COL...	-2,012.09
Check	6/20/2008	25803	Tr-0508-0462...	131 Checking Acco...	X	2321 A/P COL...	-1,134.68
Check	6/30/2008	25852	TR-0608-046...	131 Checking Acco...	X	2321 A/P COL...	-495.79
Check	9/19/2008	25938		131 Checking Acco...	X	2321 A/P COL...	-478.58
Check	12/15/2008	26054	080900451 T...	131 Checking Acco...	X	2321 A/P COL...	-559.13
Check	12/15/2008	26055	081000453 T...	131 Checking Acco...	X	2321 A/P COL...	-133.75
Check	1/7/2009	26069	August 2008	131 Checking Acco...	X	2321 A/P COL...	-478.58
Check	1/20/2009	26122	081100456 ...	131 Checking Acco...	X	2321 A/P COL...	-4,934.00
Check	1/20/2009	26124	TR-12080045...	131 Checking Acco...	X	2321 A/P COL...	-6,188.73
Check	6/2/2009	26337		131 Checking Acco...	X	-SPLIT-	-16,914.64
Check	12/22/2009	26645		131 Checking Acco...	X	-SPLIT-	-8,202.16
Check	5/26/2010	26968		131 Checking Acco...	X	-SPLIT-	-27,033.87



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06/01/10

**Eiam Utility Company, Inc.**  
**Checks for Commercial Bank**  
**January through December 2009**

<u>Num</u>	<u>Date</u>	<u>Account</u>	<u>Amount</u>
<b>Jan - Dec 09</b>			
26456	8/10/2009	131 Checking Acco...	11,031.37
26457	8/10/2009	131 Checking Acco...	10.00
26301	5/7/2009	131 Checking Acco...	107,100.00
26302	5/7/2009	131 Checking Acco...	10.00
26171	2/10/2009	131 Checking Acco...	10,110.48
26066	1/7/2009	131 Checking Acco...	13,198.80
26065	1/7/2009	131 Checking Acco...	13,198.80
26067	1/7/2009	131 Checking Acco...	20.00
<b>Jan - Dec 09</b>			<b>154,679.45</b>

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06/01/10

**Elam Utility Company, Inc.**  
**Checks for Commercial Bank**  
**January through December 2009**

<u>Num</u>	<u>Date</u>	<u>Account</u>	<u>Amount</u>
<b>Jan - Dec 09</b>			
26456	8/10/2009	131 Checking Acco...	11,031.37
26457	8/10/2009	131 Checking Acco...	10.00
26301	5/7/2009	131 Checking Acco...	107,100.00
26302	5/7/2009	131 Checking Acco...	10.00
26171	2/10/2009	131 Checking Acco...	10,110.48
26066	1/7/2009	131 Checking Acco...	13,198.80
26065	1/7/2009	131 Checking Acco...	13,198.80
26067	1/7/2009	131 Checking Acco...	20.00
<b>Jan - Dec 09</b>			<b><u>154,679.45</u></b>

Commercial Bank  
2326 North American Energy Corp balance due 16,000.00

1/15/2008

25571  
40,014.23

131 Checking Account money wire to NAE

40,014.23

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ELAM UTILITY COMPANY, INC.

Commercial Bank  
2326 North American Energy Corp

2/14/2008

25613  
16,000.00

131 Checking Account money wire to NAE

16,000.00

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ELAM UTILITY COMPANY, INC.

Commercial Bank  
2326 North American Energy Corp

10,000 DTH for GTS account #37816 to Columbia G

2/20/2008

25628  
97,500.00

131 Checking Account money wire to North American Energy

97,500.00

Commercial Bank  
2326 North American Energy Corp

2573 DTH for April 2008

5/22/2008

25764

32,760.74

131 Checking Account money wire to Seminole Energy

32,760.74

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ELAM UTILITY COMPANY, INC.

Commercial Bank  
2326 North American Energy Corp

money wire for 1451 plus 1000 dth

7/8/2008

25831

33,000.00

2451 dth

131 Checking Account money wire to NAE/Seminole

33,000.00

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ELAM UTILITY COMPANY, INC.

Commercial Bank  
2326 North American Energy Corp

8/6/2008

25869

15,000.00

131 Checking Account money wire to NAE/Seminole

Commercial Bank 12/15/2008 26056  
2326 North American Energy Corp 3060 dth 18,820.00

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131 Checking Account 18,820.00

ELAM UTILITY COMPANY, INC.

Commercial Bank 1/7/2009 26065  
2326 North American Energy Corp 2000 DTH for December plus 2% shrinkage, 2040X\$ 13,198.80

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131 Checking Account money wire to Seminole Energy 13,198.80

ELAM UTILITY COMPANY, INC.

Commercial Bank 1/7/2009 26066  
2326 North American Energy Corp 2000 DTH for January 09 + 2% shrinkage 2040X \$6. 13,198.80

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131 Checking Account money wire to Seminole Energy

COMM BANK, INC.

Commercial Bank  
2326 North American Energy Corp

5/7/2009

26301

107,100.00

131  
131  
131  
131  
131

131 Checking Account

107,100.00

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Accrual Basis

**Elam Utility Company, Inc.**  
**Account QuickReport**  
January through December 2005

Type	Date	Num	Name	Split	Amount
<b>923 Outside Services Employed</b>					
Check	1/4/2005	23929	DAVID HARROD & ...	131 Checking ...	540.00
Check	6/2/2005	24161	FREY & COMPANY	131 Checking ...	600.00
Check	11/8/2005	24348	DAVID HARROD & ...	131 Checking ...	1,008.75
Check	12/8/2005	24403	DAVID HARROD & ...	131 Checking ...	3,000.00
Total 923 Outside Services Employed					<u>5,148.75</u>
<b>TOTAL</b>					<u><u>5,148.75</u></u>

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06/01/10

Accrual Basis

**Elam Utility Company, Inc.**  
**Account QuickReport**  
**January through December 2006**

Type	Date	Num	Name	Split	Amount
<b>923 Outside Services Employed</b>					
Check	1/17/2006	24466	Mike's Computer R...	131 Checking ...	35.00
Check	1/20/2006	24478	DAVID HARROD & ...	131 Checking ...	853.75
Check	3/13/2006	24539	FREY & COMPANY	131 Checking ...	436.54
Check	3/13/2006	24544	Mike's Computer R...	131 Checking ...	35.00
Check	4/6/2006	24583	DONADL R. FREY ...	131 Checking ...	630.00
Check	6/7/2006	24665	DAVID HARROD & ...	131 Checking ...	3,393.75
Check	7/5/2006	24715	DAVID HARROD & ...	131 Checking ...	858.75
Check	7/12/2006	24737	Russell Collinsworth	131 Checking ...	240.00
Check	8/5/2006	24762	Mark Hopkins	131 Checking ...	1,500.00
Check	8/9/2006	24781	Winding Stair Const...	131 Checking ...	480.00
Check	8/10/2006	24774	Mark Hopkins	131 Checking ...	847.00
Check	9/19/2006	24839	Mary Whittaker	131 Checking ...	250.00
Check	9/25/2006	24846	Mary Whittaker	131 Checking ...	250.00
Total 923 Outside Services Employed					9,809.79
<b>TOTAL</b>					<b>9,809.79</b>



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Accrual Basis

**Elam Utility Company, Inc.**  
**Account QuickReport**  
January through December 2007

Type	Date	Num	Name	Split	Amount
<b>923 Outside Services Employed</b>					
Check	4/4/2007	25131	FREY & COMPANY	131 Checking ...	630.00
Check	4/5/2007	25141	ROB ISON	131 Checking ...	1,000.00
Check	11/1/2007	25431	DAVID HARROD & ...	131 Checking ...	1,505.75
Check	11/8/2007	25439	ROB ISON	131 Checking ...	1,000.00
Check	12/3/2007	25473	DAVID HARROD & ...	131 Checking ...	2,000.00
Check	12/13/2007	25500	ROB ISON	131 Checking ...	1,000.00
Total 923 Outside Services Employed					<u>7,135.75</u>
<b>TOTAL</b>					<u><u>7,135.75</u></u>

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Accrual Basis

**Elam Utility Company, Inc.**  
**Account QuickReport**  
**January through December 2008**

Type	Date	Num	Name	Split	Amount
<b>923 Outside Services Employed</b>					
Check	2/1/2008	25594	Kim Gevedon	131 Checking ...	1,500.00
Check	3/17/2008	25655	Kim Gevedon	131 Checking ...	1,000.00
Check	3/17/2008	25654	ROB ISON	131 Checking ...	1,000.00
Check	5/9/2008	25749	Kim Gevedon Attor...	131 Checking ...	1,000.00
Check	7/31/2008	25775	John Ryan Attorney...	131 Checking ...	500.00
Check	8/6/2008	25889	DAVID HARROD & ...	131 Checking ...	1,000.00
Check	8/13/2008	25896	ROB ISON	131 Checking ...	1,000.00
Check	12/8/2008	26039	DAVID HARROD & ...	131 Checking ...	5,000.00
Check	12/8/2008	26040	Kim Gevedon Attor...	131 Checking ...	1,500.00
Total 923 Outside Services Employed					<u>13,500.00</u>
<b>TOTAL</b>					<u><u>13,500.00</u></u>

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06/01/10

Accrual Basis

**Elam Utility Company, Inc.**  
**Account QuickReport**  
**January through December 2009**

Type	Date	Num	Name	Split	Amount
<b>923 Outside Services Employed</b>					
Check	1/2/2009	26079	Kim Gevedon Attor...	131 Checking ...	1,000.00
Check	1/30/2009	26134	Kim Gevedon Attor...	131 Checking ...	1,500.00
Check	2/4/2009	26157	DAVID HARROD & ...	131 Checking ...	5,041.13
Check	3/3/2009	26201	Kim Gevedon Attor...	131 Checking ...	1,500.00
Check	4/23/2009	26272	Kim Gevedon Attor...	131 Checking ...	5,000.00
Check	6/2/2009	26332	ROB ISON	131 Checking ...	1,000.00
Check	7/6/2009	26390	DAVID HARROD & ...	131 Checking ...	4,416.25
Check	7/7/2009	26397	ROB ISON	131 Checking ...	1,000.00
Check	7/9/2009	26402	Ryan Gevedon	131 Checking ...	203.00
Check	7/14/2009	26403	ROB ISON	131 Checking ...	3,000.00
Check	7/14/2009	26404	Ryan Gevedon	131 Checking ...	101.50
Check	7/14/2009	26405	Sean Gevedon	131 Checking ...	50.75
Check	7/17/2009	26411	ROB ISON	131 Checking ...	2,000.00
Check	7/23/2009	26416	Sean Gevedon	131 Checking ...	116.00
Check	7/23/2009	26417	Kim Gevedon Attor...	131 Checking ...	2,000.00
Check	8/4/2009	26423	ROB ISON	131 Checking ...	957.22
Check	8/5/2009	26427	Ryan Gevedon	131 Checking ...	101.50
Check	8/7/2009	26451	Dunn & Bradstreet	131 Checking ...	449.00
Check	8/7/2009	26452	DAVID HARROD & ...	131 Checking ...	1,021.25
Check	9/3/2009	26487	DAVID HARROD & ...	131 Checking ...	3,021.25
Check	9/8/2009	26498	ROB ISON	131 Checking ...	2,167.00
Check	9/29/2009	26527	Kim Gevedon Attor...	131 Checking ...	1,500.00
Check	10/1/2009	26526	ROB ISON	131 Checking ...	2,167.00
Check	10/15/2009	26561	Dunn & Bradstreet	131 Checking ...	449.00
Check	10/15/2009	26564	DAVID HARROD & ...	131 Checking ...	1,500.00
Check	11/2/2009	26579	ROB ISON	131 Checking ...	2,167.00
Check	12/1/2009	26616	ROB ISON	131 Checking ...	2,167.00
Check	12/8/2009	26628	DAVID HARROD & ...	131 Checking ...	2,753.49
Total 923 Outside Services Employed					48,349.34
<b>TOTAL</b>					<b>48,349.34</b>

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Accrual Basis

**Elam Utility Company, Inc.**  
**Account QuickReport**  
**January 1 through June 1, 2010**

Type	Date	Num	Name	Memo	Split	Amount
<b>923 Outside Services Employed</b>						
Check	1/5/2010	26653	Kim Gevedon Attor...	2010 retainer...	131 Checking ...	1,500.00
Check	1/5/2010	26661	DAVID HARROD & ...		131 Checking ...	674.44
Check	1/6/2010	26677	ROB ISON		131 Checking ...	2,167.00
Check	2/8/2010	26739	ROB ISON		131 Checking ...	2,167.00
Check	3/4/2010	26774	ROB ISON		131 Checking ...	2,167.00
Check	4/3/2010	26820	ROB ISON		131 Checking ...	2,167.00
Check	5/13/2010	26893	DAVID HARROD & ...		131 Checking ...	384.31
Check	5/13/2010	26911	Kim Gevedon Attor...		131 Checking ...	1,500.00
Check	5/21/2010	26917	Kim Gevedon Attor...	work on repo...	131 Checking ...	1,500.00
Total 923 Outside Services Employed						<u>14,226.75</u>
<b>TOTAL</b>						<u><u>14,226.75</u></u>

AMENDED CONDITIONS OF LOAN TO ELAM UTILITY COMPANY, INC.

The undersigned Elam Utility Company, Inc., (hereinafter referred to as gas system), being a natural gas distribution system operated wholly within the Commonwealth of Kentucky, having received a loan from the Gas System Restoration Project Account (hereinafter referred to as GSRP Account) in the amount of Seven Hundred Ninety-Seven Thousand Four Hundred Twenty-Five Dollars and No Cents (\$797,425.00) and having received a conditional reduction and refinancing of the aforementioned loan in the amount of Two Hundred Eighty Thousand Dollars and No Cents (\$280,000.00), hereby agrees to the following terms as a condition of said loan:

1. This reduction and refinancing is conditional upon the gas system's performance of the terms of repayment as set forth in the Amended Mortgage and Security Agreement and Promissory Note. In the event of the gas system's failure to timely make installment payments as set out in the Amended Mortgage and Security Agreement and Promissory Note, or its breach of any other covenant as contained herein or contained in the note secured hereby, the Mortgagee, Department for Local Government, shall have the right to enforce the provisions of the original Mortgage and Security Agreement and Promissory Note and to demand payment in full of the balance due on the original loan amount of Seven Hundred Ninety-Seven Thousand Four Hundred Twenty-Five Dollars and No Cents (\$797,425.00)
2. The gas system shall be brought into and remain in compliance with federal and state pipeline safety standards and regulations of the Energy Regulatory Commission, (hereinafter referred to as ERC), and the Department of Transportation.
3. Proceeds of the loan shall be used for payment of gas system's business debts which pre-exist the loan and for no other purpose.
  - a. Any payment made directly to the gas system shall be deposited in a separate identifiable account.
4. One full-time supervisory employee of the gas system shall receive management training approved by ERC at the expense of said gas system.
5. Gas system shall place three percent (3%) of its annual gross revenue in an escrow account for replacement or emergency repair of equipment until fifty thousand dollars and no cents (\$50,000.00) is accrued and the percentage may be reduced thereafter provided said amount is maintained in the escrow amount.
  - a. Gas system must petition for and gain written approval from the GSRP Account Review Board before funds may be withdrawn from its escrow account for any purpose.
6. As security for the loan the Commonwealth of Kentucky shall have a lien on all assets and future earnings of the gas system, and said lien shall be superior to all others, and shall include the following procedures:
  - a. The gas system waives the right to foreclosure by court action and agrees to the following procedures:
  - b. In the event that two consecutive management audits show the noncompliance with any of the conditions contained herein, the Commonwealth of Kentucky, Department for Local Government shall appoint a receiver, subject to the approval of the Account

Review Board, who shall assume management and control of the gas system upon ten (10) days notice to gas system.

1. If special conditions exist, the Account Review Board may allow the gas system six months beyond the second audit showing noncompliance during which time areas of noncompliance must be corrected to avoid receivership.
  - c. The receiver shall be reimbursed from revenues of the gas system and shall operate the gas system until it is brought into compliance with the conditions stated herein to the satisfaction of the Account Review Board, at which time responsibility for operation of the gas system shall be restored to the applicant upon such terms and conditions as required by the Account Review Board.
  - d. If the Account Review Board determines that it is not feasible to bring the gas system into lasting compliance, the gas system shall be sold and the proceeds applied to the loan. If the subject utility falls under the jurisdiction of the Kentucky Energy Regulatory Commission, then the Account Review Board shall make application to the ERC for authority to transfer the assets of the utility to another entity which has been found ready, willing, and able to assume the operations of the subject utility.
7. Gas System shall not discriminate in employment, operation or contractual activities on the ground of race, color, national origin, sex, religion, age or disability.
  8. Public liability insurance shall be maintained for the term of the loan by the gas system to conform with their limits of the current policy or at the determination of the board, and the Commonwealth of Kentucky shall be named on said policy as an additional insured.
  9. The operator shall adhere to any provisions or any special conditions of the Appalachian Regional Commission.
  10. The operator shall adhere to any provision for any other terms and conditions as agreed to and attached by the GSRP Review Board.