



Ernie Fletcher  
Governor

Mark David Goss  
Chairman

Teresa J. Hill, Secretary  
Environmental and Public  
Protection Cabinet

Commonwealth of Kentucky  
**Public Service Commission**  
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Frankfort, Kentucky 40602-0615  
Telephone: (502) 564-3940  
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John W. Clay  
Commissioner

Timothy J. LeDonne  
Commissioner  
Department of Public Protection

May 3, 2007

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

CERTIFICATE OF SERVICE

RE: Case No. 2007-00043  
Elam Utility Company, Inc.

I, Beth O'Donnell, Executive Director 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 addressee by U.S. Mail on May 3, 2007.

Executive Director

BOD/sh  
Enclosure



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President  
Elam Utility Company, Inc.  
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I, Beth O'Donnell, Executive Director 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 addressee by U.S. Mail on May 3, 2007.

A handwritten signature in black ink, appearing to read "Beth O'Donnell", written over a horizontal line.

Executive Director

BOD/sh  
Enclosure

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELAM UTILITY COMPANY, INC. )  
AND WILMA B. ISON INDIVIDUALLY )  
AND AS AN OFFICER OF )  
ELAM UTILITY COMPANY, INC )  
\_\_\_\_\_)  
ALLEGED VIOLATIONS OF )  
THE COMMISSION'S ORDER )

CASE NO. 2007-00043

O R D E R

On February 15, 2007, an Order was issued in this case to Elam Utility Company, Inc. ("Elam") and Wilma B. Ison individually and as an officer of Elam, requiring each of them to show cause why each should not be assessed penalties pursuant to KRS 278.990 for willful violations of the Commission's Order dated July 6, 2006 in Case No. 2006-00080.<sup>1</sup>

The Commission found that Elam had failed to file monthly general ledger and bank statements as agreed. The Commission further found that Wilma Ison personally had failed to pay by December 30, 2006, the balance of the suspended civil penalty of \$5,500 that had been assessed against her. However, Wilma Ison did pay the balance

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<sup>1</sup> Case No. 2006-00080, Elam Utility Company, d/b/a Elam Utility Company, Inc., and Wilma B. Ison and Robert D. Ison, Individually and as Officers of the Utility – Alleged Violations of the Commission's Order.

of the suspended penalty on February 21, 2007 and Elam did file the required documents at an informal conference on March 22, 2007. Elam had previously paid its civil penalty of \$7,500 on October 19, 2006.

Elam, Wilma B. Ison, and Commission Staff entered into negotiations and a Settlement Agreement was entered into between Elam, Wilma B. Ison, and Commission Staff in this case. In reviewing the Settlement Agreement and the record, the Commission makes the following findings:

1. Wilma B. Ison failed to timely pay the balance of the suspended penalty by December 30, 2006 as stipulated in the Settlement Agreement in Case No. 2006-00080.

2. Elam failed to timely file its general ledger and bank statements with the Commission as stipulated in the Settlement Agreement in Case No. 2006-00080.

3. Elam and Wilma B. Ison each waive a formal hearing of all issues in this case.

4. The Settlement Agreement entered into between Commission Staff and Elam and Wilma Ison, individually and as president of Elam, is in accordance with the law, does not violate any regulatory principle, results in a reasonable resolution of this case, and is in the public interest.

IT IS THEREFORE ORDERED that:

1. The Settlement Agreement dated April 25, 2007 is incorporated into this Order as if fully set forth herein and is attached hereto as Appendix A.

2. The terms and conditions set forth in the Settlement Agreement are adopted and approved.

3. Elam is assessed a civil penalty of \$2,500, with \$1,250 to be paid within 30 days after the date of this Order. The balance of \$1,250 is to be suspended until July 6, 2008 with the provision that if no further violations occur, the \$1,250 suspended penalty is to be forgiven. Payment is to be made by cashier's check payable to "Kentucky State Treasurer," and mailed or delivered to the Office of the General Counsel, Public Service Commission of Kentucky, 211 Sower Boulevard, Post Office Box 615, Frankfort, Kentucky 40602.

4. Elam shall file a GCA quarterly hereafter under the terms of its tariff.

5. Elam shall file a copy its general ledger and bank statements, on or before the 30<sup>th</sup> of each month through July 6, 2008.

6. Wilma B. Ison, individually is assessed a civil penalty of \$5,000, with \$2,500, to be payable three months after the date of this Order. The balance of the civil penalty being \$2,500 to be suspended until July 6, 2008 at which time, if no further violations have occurred, the balance will be forgiven. Payment is to be by cashier's check payable to "Kentucky State Treasurer," and mailed or delivered to the Office of the General Counsel, Public Service Commission of Kentucky, 211 Sower Boulevard, Post Office Box 615, Frankfort, Kentucky 40602.

7. Upon the timely payment by Elam and Wilma B. Ison, of the penalties, this case shall be closed and removed from the Commission's docket without further Order of the Commission.

Done at Frankfort, Kentucky, this 3rd day of May, 2007.

By the Commission

ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2007-00043 DATED *May* 3, 2007.

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED  
APR 25 2007  
PUBLIC SERVICE  
COMMISSION

In the Matter of:

ELAM UTILITY COMPANY, INC. )  
AND WILMA B. ISON INDIVIDUALLY )  
AND AS AN OFFICER OF )  
ELAM UTILITY COMPANY, INC )  
\_\_\_\_\_)  
ALLEGED VIOLATIONS OF )  
THE COMMISSION'S ORDER )

CASE NO. 2007-00043

SETTLEMENT AGREEMENT

THIS AGREEMENT is made and entered into this 25<sup>th</sup> day of April, 2007, by and between the STAFF OF THE PUBLIC SERVICE COMMISSION OF KENTUCKY ("Commission Staff") and ELAM UTILITY COMPANY, INC. ("Elam") and Wilma B. Ison, individually and as an officer of Elam.

WITNESSETH:

WHEREAS Elam operates a natural gas distribution system in Morgan and Wolfe counties, Kentucky, and is subject to Commission jurisdiction pursuant to KRS 278.040; and

WHEREAS Elam's only corporate officer is Wilma B. Ison, President;

WHEREAS Elam, in Case No. 2006-00080, agreed to pay by September 30, 2006, the total suspended civil penalty of \$7,500 which was assessed against it. Wilma Ison, personally and as President of Elam, agreed to pay by December 30, 2006 the balance of the suspended civil penalty of \$5,500 that had been assessed against her. It was further agreed that, as part of the settlement, Elam would continue to file with the

Commission its general ledger and bank statements on or before the 30th of each month for two years from the Order date of July 6, 2006;

WHEREAS, on February 15, 2007, an Order was issued in this case to Elam and Wilma B. Ison, individually and as an officer of Elam, requiring each of them to show cause why each should not be assessed penalties pursuant to KRS 278.990 for willful violations of the Commission's Order dated July 6, 2006;

WHEREAS an informal conference was held on March 22, 2007 between the parties and Commission Staff for the purpose of discussing the issues and of entering into a Settlement Agreement through compromise to settle the proceeding herein;

WHEREAS the suspended penalty assessed against Elam was paid on October 19, 2006, and the suspended penalty assessed against Wilma B. Ison was paid on February 21, 2007;

WHEREAS, at an informal conference on March 22, 2007, Elam and Wilma B. Ison stated that Elam had failed to timely file the general ledger and bank statements and that Wilma B. Ison had failed to make timely payments of the assessed penalties; and

WHEREAS, during the conference, Elam filed a general ledger and bank statements showing activity from September 2006 through February 2007;

NOW, THEREFORE, Elam, Wilma B. Ison, and Commission Staff agree that:

1. Elam acknowledged that it is in violation of the Commission Order of July 6, 2006. Elam agrees to be assessed a civil penalty of \$2,500, with \$1,250 to be paid within thirty days after the date of an Order of the Commission approving this settlement. The balance of \$1,250 is to be suspended until July 6, 2008 with the provision that if no further violations occur, the \$1,250 suspended penalty is to be forgiven.

2. Wilma Ison, as President of Elam, acknowledged that she is in violation of the Commission Order of July 6, 2006. Wilma Ison agrees to be assessed a civil penalty of \$5,000, with \$2,500 to be payable three months after the date of an Order of the Commission approving this settlement. The \$2,500 balance of the civil penalty is to be suspended until July 6, 2008, at which time, if no further violations have occurred, the balance will be forgiven.

3. Elam and Wilma B. Ison each waive a formal hearing of all matters in this case.

4. Elam and Wilma B. Ison both agree to timely file Elam's Gas Cost Adjustment ("GCA") as set out in its tariff. However, if Elam experiences difficulties, it will contact Commission Staff for assistance and direction prior to the due date of the GCA.

5. Elam and Wilma B. Ison both agree that Elam will continue to file with the Commission a copy of its general ledger and bank statements on or before the 30th of each month through July 6, 2008.

6. This Agreement is subject to the acceptance of and approval by the Public Service Commission.

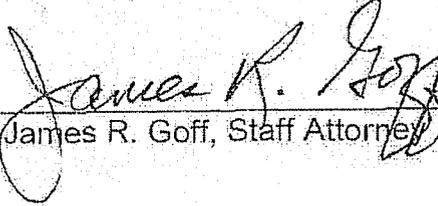
7. If the Public Service Commission fails to accept and approve this Settlement Agreement in its entirety, this proceeding shall go forward, and neither the terms of this Settlement Agreement nor any matters raised during settlement negotiations shall be binding on or be construed against Wilma B. Ison or Elam or Commission Staff.

8. Commission Staff shall recommend to the Public Service Commission that this Settlement Agreement be accepted and approved.

IN WITNESS WHEREOF, Elam, Wilma B. Ison, and Commission Staff have executed this Settlement Agreement on the date first above written

STAFF OF THE PUBLIC SERVICE  
COMMISSION OF KENTUCKY

BY:

  
James R. Goff, Staff Attorney

WILMA B. ISON AND  
ELAM UTILITY COMPANY, INC.



Wilma B. Ison, Individually and as President of  
Elam Utility Company, Inc.