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July 26, 2010

W. Duncan Crosby III
Stoll Keenon Ogden, PLLC
2000 PNC Plaza
500 W. Jefferson Street
Louisville, KY 40202-2828

RE: Case No. 2010-00302
City of West Liberty
(Transfer/Sale/Purchase/Merger)

The Commission staff has reviewed the application in the above case and finds that it meets the minimum filing requirements. 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.

Sincerely,

A handwritten signature in cursive script that reads "Linda Faulkner".

Linda Faulkner
Filings Division Director

LF/rs

cc: Parties of Record

FILED

JUL 19 2010

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PUBLIC SERVICE COMMISSION

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PUBLIC SERVICE COMMISSION

CASE NO. 2010-00 302

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

**APPLICATION OF THE CITY OF WEST)
LIBERTY, KENTUCKY, FOR APPROVAL TO)
ACQUIRE THE UTILITY ASSETS OF ELAM)
UTILITY COMPANY, INC., AND FOR APPROVAL)
OF A MANAGEMENT AGREEMENT)**

VERIFIED APPLICATION AND REQUEST FOR EXPEDITED TREATMENT

The City of West Liberty, Kentucky (“City”) hereby respectfully petitions the Kentucky Public Service Commission (“Commission”) by application pursuant to KRS § 278.020(5) and (6) to issue an order approving the City’s proposed acquisition of the utility assets of Elam Utility Company, Inc. (“Elam”). As shown herein and by the supporting evidence attached hereto, transferring Elam’s utility assets to the City would be very much in the public interest. In addition, the City, as the operator of an award-winning water utility and a sewer utility, has the financial, technical, and managerial abilities to own and operate a natural gas distribution utility, and to provide reasonable service to Elam’s customers. Because service to Elam’s customers is imminent, the City respectfully requests the Commission to issue a Final Order approving the proposed acquisition by July 23, 2010.

I. Introduction and Background

The gas suppliers to the Morgan County portion of the Elam system, Columbia Gas Transmission, LLC, and Columbia Gulf Transmission Company (collectively, the “Columbia Entities”), have publicly stated their plan to terminate service to Elam, and therefore to Elam’s customers, on July 26, 2010, because Elam owes the Columbia Entities nearly \$700,000 for gas consumed but not replaced. (A copy of that statement is attached hereto as Exhibit 1.) A nursing home, several businesses, and hundreds of residential customers are among the approximately