

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION OF MIKE LITTLE )  
GAS COMPANY, INC., MIKI THOMPSON, )  
WINNIE GREER, AND DANIEL GREER, )  
INDIVIDUALLY AND AS OFFICERS OF ) CASE NO. 2007-00107  
THE UTILITY, FOR ALLEGED VIOLATIONS )  
OF COMMISSION ORDERS AND SAFETY )  
VIOLATIONS PURSUANT TO KRS 278.990 )  
AND KRS 278.992 )

ORDER

On March 27, 2007, an Order was issued in this case to Mike Little Gas Company, Inc. ("Mike Little"), Miki Thompson, individually and as President of Mike Little, Daniel Greer, individually and as former Vice President of Mike Little, and Winnie Greer, individually and as Treasurer of Mike Little, requiring each of them to show cause why each should not be assessed penalties pursuant to KRS 278.992(1) for violations of 49 C.F.R. §§ 192.321, 192.465, 192.616(b), 192.625(f), 192.721, 192.723, 192.739, 192.747, and 192.805(b), and for a willful violation of the Commission's Orders of June 25, 2004 and June 4, 2004, as issued in Case No. 1999-00267,<sup>1</sup> for failure to replace sections of steel pipe in the Mike Little system.

Mike Little, Miki Thompson and Winnie Greer, individually and as officers of Mike Little, and Commission Staff entered into negotiations, and a Settlement Agreement

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<sup>1</sup> Case No. 1999-00267, Miki Thompson and Winnie Greer d/b/a Mike Little Gas Company, Inc., Investigation into Alleged Violations.

was entered into between Mike Little, Miki Thompson and Winnie Greer, individually and as officers of Mike Little, and Commission Staff in this case. In reviewing the Settlement Agreement and the record, the Commission makes the following findings:

1. Daniel Greer should be dismissed as a party herein.
2. Mike Little, Miki Thompson and Winnie Greer, individually and as officers of Mike Little, each waive a formal hearing of all issues in this case.
3. Mike Little and Miki Thompson and Winnie Greer, individually and in their capacity as corporate officers of Mike Little, acknowledge that each is in violation of the following: 49 C.F.R. §§ 192.321, 192.465, 192.616(b), 192.625(f), 192.721, 192.723, 192.739, 192.747, and 192.805(b), as enumerated in the Commission's Order dated March 27, 2007.
4. Mike Little and Miki Thompson and Winnie Greer, individually and in their capacity as corporate officers of Mike Little, acknowledge that each is in violation of the Commission's Orders of June 25, 2004 and June 4, 2004 in Case No. 1999-00267, by failing to replace sections of steel pipe in the Mike Little system
5. The Settlement Agreement entered into between Commission Staff and Mike Little, Miki Thompson and Winnie Greer, individually and as officers of Mike Little, 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 June 11, 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, and no formal hearing shall be held.

3. Daniel Greer, individually and as Vice President of Mike Little, is dismissed as a party to this case.

4. Mike Little, Miki Thompson and Winnie Greer, individually and in their capacity as corporate officers of Mike Little, are assessed, jointly and severally, a civil penalty of \$100,000.00 for the violations as listed in the agreement. However, \$95,000.00 of that penalty shall be suspended upon the following terms and conditions:

a. Mike Little, Miki Thompson and Winnie Greer, jointly or severally, shall pay \$5,000.00 of the civil penalty within 30 days from the date of this Order. Said amount shall be paid by a cashier's check payable to "Kentucky State Treasurer" and delivered to the Office of the General Counsel, Public Service Commission of Kentucky, 211 Sower Boulevard, Post Office Box 615, Frankfort, Kentucky, 40602.

b. All exposed plastic pipe in the Mike Little system is to be buried within 30 days from the date of this Order.

c. Mike Little is to have in place, by contract or otherwise, a certified operator in conformity with 49 C.F.R. Part 192, Subpart N-Qualifications of Pipeline Personnel § 192.801-807, within 30 days from the date of this Order.

d. Mike Little is to have established a continuing educational program (Public Awareness Program) pursuant to 49 C.F.R. § 192.616(a-i) within 30 days from the date of this Order.

e. Mike Little will have performed a gas sampling and a leakage survey within 30 days from the date of this Order.

5. If any one of the conditions of the penalty suspension as contained in paragraph 4 above is not complied with within the required 30-day period, the entire suspended penalty of \$95,000.00 shall be immediately due and payable. Upon confirmation by Commission Staff that all of the above conditions in paragraph 4, a-e, have been complied with, the balance of the \$95,000.00 suspended penalty is to be forgiven by Order of the Commission.

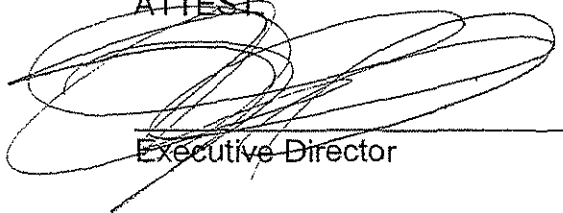
6. Mike Little and Miki Thompson and Winnie Greer, individually and in their capacity as corporate officers of Mike Little, are assessed, jointly and severally, a civil penalty of \$5,000.00. However, the entire civil penalty of \$5,000.00 is to be suspended upon the condition that Mike Little, on or before October 1, 2007, complete the replacement of the steel pipe as set out in the "Compliance Schedule" contained in the Order dated June 25, 2004 in Case No. 1999-00267. If the complete replacement of the steel pipe is not complied with by October 1, 2007, the entire suspended penalty of \$5,000.00 shall be immediately due and payable. Upon confirmation by Commission Staff that the steel pipe has been replaced on or before October 1, 2007, the entire civil penalty of \$5,000.00 shall be forgiven by Order of the Commission.

7. Until the timely payment of the assessed penalties and compliance with the conditions contained herein by Mike Little and Miki Thompson and Winnie Greer, this case shall remain on the Commission's docket.

Done at Frankfort, Kentucky, this 20th day of June, 2007.

By the Commission

ATTEST

A large, complex handwritten signature in black ink, consisting of multiple overlapping loops and strokes, positioned over the printed text 'Executive Director'.

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2007-00107 DATED JUNE 20, 2007

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION OF MIKE LITTLE )  
GAS COMPANY, INC., MIKI THOMPSON, )  
WINNIE GREER, AND DANIEL GREER, )  
INDIVIDUALLY AND AS OFFICERS OF ) CASE NO. 2007-00107  
THE UTILITY, FOR ALLEGED VIOLATIONS )  
OF COMMISSION ORDERS AND SAFETY )  
VIOLATIONS PURSUANT TO KRS 278.990 )  
AND KRS 278.992 )

SETTLEMENT AGREEMENT

THIS AGREEMENT is made and entered into this 11<sup>th</sup> day of June, 2007, by and between the STAFF OF THE PUBLIC SERVICE COMMISSION OF KENTUCKY ("Commission Staff") and MIKE LITTLE GAS COMPANY, INC. ("Mike Little"); Miki Thompson, individually and as President of Mike Little; Daniel Greer, individually and as former Vice President of Mike Little; and Winnie Greer, individually and as Treasurer of Mike Little.

WITNESSETH:

WHEREAS, Mike Little is a Class C natural gas distribution system in Floyd County, Kentucky, servicing approximately 362 customers, according to its last filed annual report, and is subject to Commission jurisdiction pursuant to KRS 278.040; and

WHEREAS, on March 27, 2007, an Order was issued in the above-captioned case to Mike Little and Miki Thompson, Daniel Greer, and Winnie Greer, individually and as officers of Mike Little, requiring each of them to show cause why each should not

be assessed penalties pursuant to KRS 278.992(1) for violations of 49 C.F.R. §§ 192.321, 192.465, 192.616(b), 192.625(f), 192.721, 192.723, 192.739, 192.747, and 192.805(b); and

WHEREAS, on March 27, 2007, an Order was issued in this case to Mike Little and Miki Thompson, Daniel Greer, and Winnie Greer, individually and as officers of Mike Little, 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 Orders of June 25, 2004 and June 4, 2004, as issued in Case No. 1999-00267 for failure to replace sections of steel pipe in the Mike Little system; and

WHEREAS, an informal conference was held on May 1, 2007 between the parties and Commission Staff for the purpose of discussing the issues and negotiating an agreement to settle the issues raised in the proceeding herein; and

WHEREAS, Miki Thompson and Winnie Greer have stated that Daniel Greer has not participated in the corporation since 1995 and is no longer a Vice President thereof;

NOW, THEREFORE, in consideration of the premises, promises, covenants, and representations set forth herein, Mike Little; Miki Thompson, individually and as President of Mike Little; Daniel Greer, individually and as a former Vice President of Mike Little; and Winnie Greer, individually and as Treasurer of Mike Little; and Commission Staff agree that:

1. Mike Little and Miki Thompson, Daniel Greer, and Winnie Greer, in both their individual and official capacity as current or former officers of Mike Little, each waive a formal hearing of all matters in this case.
2. Daniel Greer, individually and as Vice President of Mike Little, is to be dismissed as a party to this case.



3. Mike Little and Miki Thompson and Winnie Greer, individually and in their capacity as corporate officers of Mike Little, acknowledge that each are in violation of the following: 49 C.F.R. §§ 192.321, 192.465, 192.616(b), 192.625(f), 192.721, 192.723, 192.739, 192.747, and 192.805(b), as enumerated in the Commission's Order dated February 15, 2007.

4. Mike Little and Miki Thompson and Winnie Greer, individually and in their capacity as corporate officers of Mike Little, agree to be assessed, jointly and severally, a civil penalty of \$100,000.00 for the violations as listed in paragraph 3 of this agreement. However, \$95,000.00 of that penalty shall be suspended upon the following terms and conditions:

A. Mike Little, Miki Thompson, and Winnie Greer, jointly or severally, shall pay \$5,000.00 of the civil penalty within thirty (30) days after the date of an Order of the Commission approving this settlement. Said amount shall be paid by a cashier's check payable to "Kentucky State Treasurer," and delivered to the Office of the General Counsel, Public Service Commission of Kentucky, 211 Sower Boulevard, Post Office Box 615, Frankfort, KY 40602.

B. All exposed plastic pipe in the Mike Little system is to be buried within thirty (30) days from the date of an Order of the Commission approving this settlement.

C. Mike Little is to have in place, by contract or otherwise, a certified operator in conformity with 49 C.F.R. Part 192, Subpart N-Qualifications of Pipeline Personnel § 192.801-807, within thirty (30) days after the date of an Order of the Commission approving this settlement.

D. Mike Little is to have established a continuing educational program (Public Awareness Program) pursuant to 49 C.F.R. § 192.616(a-i) within thirty (30) days after the date of an Order of the Commission approving this settlement.

E. Mike Little will have performed a gas sampling and a leakage survey within thirty (30) days after the date of an Order of the Commission approving this settlement.

5. If any one of the conditions of the penalty suspension as contained in paragraph 4 above is not complied with within the required thirty (30) day period, then the entire suspended penalty of \$95,000.00 shall be immediately due and payable. Upon confirmation by Commission Staff that all of the above conditions A-E have been complied with, the balance of the \$95,000.00 suspended penalty is to be forgiven by Order of the Commission.

6. Mike Little and Miki Thompson and Winnie Greer, individually and in their capacity as corporate officers of Mike Little, acknowledge that each is in violation of the Commission's Orders of June 25, 2004 and June 4, 2004 in Case No. 1999-00267, by failing to replace sections of steel pipe in the Mike Little system. Mike Little and Miki Thompson and Winnie Greer, individually and in their capacity as corporate officers of Mike Little, agree to be assessed, jointly and severally, a civil penalty of \$5,000.00. However, the entire civil penalty of \$5,000.00 is to be suspended upon the condition that Mike Little, on or before October 1, 2007, is to complete the replacement of the steel pipe as set out in the "Compliance Schedule" as contained in the Order dated June 25, 2004 in Case No. 1999-00267. If the complete replacement of the steel pipe is not complied with by October 1, 2007, then the entire suspended penalty of \$5,000.00, as assessed, shall be immediately due and payable. Upon confirmation by Commission

Staff that the steel pipe has been replaced on or before October 1, 2007, the entire civil penalty of \$5,000.00 shall be forgiven by Order of the Commission.

7. Mike Little and Miki Thompson, as President of Mike Little, and Winnie Greer, as Treasurer of Mike Little, agree to timely file the necessary documents with the Kentucky Secretary of State to correctly list Mike Little's present corporate officers as well as the annual report Mike Little files with the Commission.

8. This agreement is subject to the acceptance of and approval by the Public Service Commission.

9. If the Public Service Commission fails to accept and approve this agreement in its entirety, this proceeding shall go forward and neither the terms of this agreement nor any matters raised during settlement negotiations shall be binding on or be construed against Mike Little; Miki Thompson, individually and as President of Mike Little; Daniel Greer, individually and as Vice President of Mike Little; and Winnie Greer, individually and as Treasurer of Mike Little; or Commission Staff.

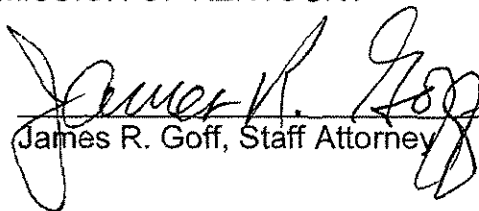
10. Any officer of Mike Little signing this agreement certifies he has knowledge of the matters herein and is duly designated by the utility to enter into this agreement.

11. Commission Staff shall recommend to the Public Service Commission that this agreement be accepted and approved.

IN WITNESS WHEREOF, Mike Little, Miki Thompson, individually and as President of Mike Little, Daniel Greer, individually and as Vice President of Mike Little, and Winnie Greer, individually and as Treasurer of Mike Little, and Commission Staff have executed this agreement.

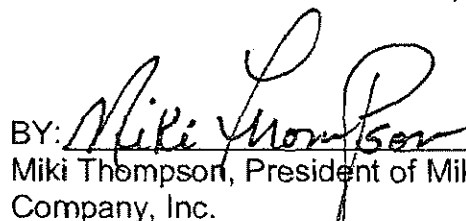
STAFF OF THE PUBLIC SERVICE  
COMMISSION OF KENTUCKY

BY:


  
James R. Goff, Staff Attorney

MIKE LITTLE GAS COMPANY, INC

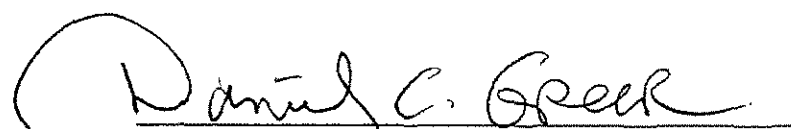
BY:

  
Miki Thompson, President of Mike Little Gas  
Company, Inc.

  
Miki Thompson, Individually

  
Winnie Greer, Vice President of Mike Little Gas  
Company, Inc.

  
Winnie Greer, Individually

  
Daniel Greer, Individually