

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|---------------------------------|---|-------------------|
| THE APPLICATION OF ELAM UTILITY |) | |
| COMPANY, INC. FOR AN |) | |
| ADJUSTMENT OF RATES PURSUANT |) | CASE NO. 2000-432 |
| TO THE ALTERNATIVE RATE FILING |) | |
| PROCEDURE FOR SMALL UTILITIES |) | |

O R D E R

On September 15, 2000, Elam Utility Company, Inc. ("Elam") filed an Alternative Rate Filing ("ARF") application with the Commission proposing to adjust its rates for service rendered on and after October 16, 2000. 807 KAR 5:076, the regulation governing ARF proceedings, is intended to minimize the need for formal hearings, to reduce filing requirements, and to shorten the time period between the application and the Commission order. Elam's application includes tariff sheets reflecting proposed increases in miscellaneous non-recurring charges that are not appropriate for an ARF proceeding. In addition, those proposed tariffs do not include an effective date, as required by KRS 278.180, are not in the proper format and do not include specific cost justification for the increased charges, as required by 807 KAR 5:011.

Elam includes one tariff sheet in the application containing its proposed rates for gas service with an effective date that does relate to the proposed rate adjustment. The Commission finds that this tariff should be considered part of Elam's ARF application in this proceeding. The other tariff sheets included in the application do not relate to this filing, are not filed in accordance with statutes and regulations and, therefore, should not

be accepted for filing in this case. If Elam wishes the Commission to consider the proposed charges included in those tariffs, the tariffs should be re-filed pursuant to 807 KAR 5:011.

The Commission finds that, pursuant to KRS 278.190, further proceedings in this case are necessary in order to determine the reasonableness of the proposed rates and that such proceedings cannot be completed prior to the proposed effective date.

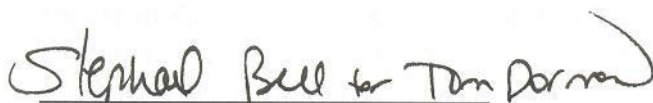
IT IS THEREFORE ORDERED that:

1. The proposed rates contained in Elam's application are hereby suspended for 5 months from October 16, 2000, up to and including March 15, 2001.
2. The tariffs included in the application not relating to the proposed rate adjustment are not accepted for filing in this case.
3. Nothing contained herein shall prevent the Commission from entering a final decision in this case prior to the termination of the suspension period.

Done at Frankfort, Kentucky, this 29th day of September, 2000.

By the Commission

ATTEST:


Executive Director