

**ELAM UTILITY COMPANY
459 MAIN STREET
WEST LIBERTY, KENTUCKY 41472
PHONE 606-743-3695
FAX 606-743-2292**

May 1, 2006

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**PUBLIC SERVICE
COMMISSION**

**Public Service Commission
P. O. Box 615
Frankfort, Kentucky 40605-0615**

RE: Case No. 2006-00080

In response to an order by the Public Service Commission concerning allegations I state as follows:

(1) Elam (the company) and I would like to request an informal conference concerning the failure to file the general ledger and bank statements for the company for the periods October 2005 through March 2006. I have enclosed a copy of these in the paperwork mailed to P. O. Box 615.

As you know, Frontier Kentucky and Elam Utility had entered into an agreement to determine the possibility of selling and this should have been completed by the end of the year. Therefore, I got caught up in preparing the necessary documents for the sale and neglected filing the GCA and accounting forms.

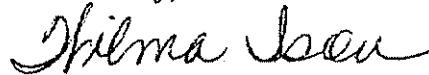
All the paperwork necessary to file the GCA for the end of the year and also for March 2006 has been sent to the CPA, David Harrod. He hasn't been able to file these timely because we didn't have a correct amount for purchased gas. Last year we were purchasing gas from Cumberland Valley. They didn't renew our contract and we have been unable to find a supplier, therefore, we have been taking gas through our contract with Columbia.

(3) Robert D. Ison has not been an officer or employed with Elam since 2004. He has moved to Marion, Kentucky and has no knowledge of the failure to file the GCA, general ledger or bank statements. It would be treating Robert unfairly if he should be assessed a penalty for things that were not in his power to do.

Since the Order of March 8, 2004, Elam has filed the GCA , bank statements and general ledgers until October 2005. This two year period for penalties should have been over on March 8, 2006. Therefore, after this filing, we would like to request that the Commission change the terms so that this will no longer be necessary.

If you have any questions, please contact me at the number listed above. I am faxing this response today to 502-564-3460 and mailing a copy with the other necessary paperwork.

Sincerely,



Wilma B. Ison

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Enc.

Faxed 5/1/06