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Mark David Goss
Chairman

John W. Clay
Commissioner

March 27, 2007

TO: PARTIES OF RECORD

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

Enclosed please find a memorandum that has been filed in the record of the above-referenced case. Any comments regarding this memorandum's contents should be submitted to the Commission within five days of receipt of this letter. Questions regarding this memorandum should be directed to J.R. Goff at 502/564-3940, Extension 261.

Sincerely,

A handwritten signature in black ink, appearing to read "Beth O'Donnell", written over a large, scribbled-out area.


Beth O'Donnell
Executive Director

vh/
Enclosure

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: File: Case No 2007-00043

FROM: J. R. Goff, Staff Attorney 

DATE: March 26, 2007

RE: Informal Conference: Elam Utility Company, Inc.

On March 22, 2007, an informal conference was held pursuant to the request of Elam Utility Company, Inc. and Wilma Ison (collectively "Elam"). The names of those present at the conference appear on the attached sign-in sheet.

The informal conference was held in regard to a show cause proceeding filed against Elam and its corporate officer, Wilma Ison, President of Elam, for alleged violations of a Commission Order dated July 6, 2006 which approved a Settlement Agreement between Commission Staff and Elam. Elam acknowledged that it had failed to timely file Elam's general ledger sheets along with copies of its bank statements. During the conference, Ms. Ison filed the general ledger and bank statements showing activity from September 2006 through February 2007. Ms. Ison also acknowledged that she failed to timely pay the suspended penalty as previously agreed. The suspended penalty of \$5,500 was received on February 21, 2007.

Elam and Commission Staff then discussed a settlement of the case and agreed in principle to a settlement. Elam agreed to pay 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 there are no further violations, the \$1,250 suspended penalty will be forgiven.

Wilma Ison, as President of Elam, agreed to pay 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 balance of \$2,500 will be suspended until July 6, 2008 at which time, if no further violations have occurred, the balance will be forgiven. It was also 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 until July 6, 2008.

Staff will prepare a settlement agreement incorporating the above terms and will submit it to Elam and its corporate officer for signature. Staff agreed that after Elam and its corporate officer sign the settlement, Staff will recommend that the Commission accept it.

The meeting was adjourned.

