



Ernie Fletcher
Governor

Teresa J. Hill, Secretary
Environmental and Public
Protection Cabinet

Christopher L. Lilly
Commissioner
Department of Public Protection

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

Mark David Goss
Chairman

John W. Clay
Commissioner

October 6, 2006

Ms. Wilma Ison, President
Elam Utility Company, Inc.
459 Main Street
West Liberty, Kentucky 41472

Re: Case No. 2006-00080

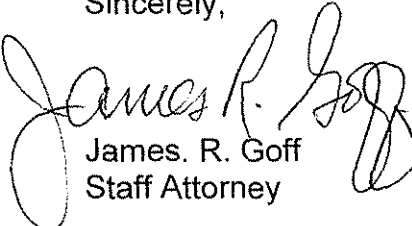
Dear Ms. Ison:

In Case No. 2006-00080, the Commission approved a Settlement Agreement between Elam Utility Company, Inc. ("Elam"), you individually and as an officer of the company, and Commission Staff. In that Settlement Agreement, Elam acknowledged its violation of the Commission's Order of March 8, 2004 in Case No. 2003-00488 and agreed to pay the total suspended penalty of \$7,500 on or before September 30, 2006. In addition, Elam agreed to file a copy of its general ledger and bank statements on or before the 30th of each month for a period of two years.

To date, Elam has not filed its July and August general ledgers and bank statements, which were due August 30, 2006 and September 30, 2006, respectively, and has not paid the penalty of \$7,500, which was due by September 30, 2006. If the payment and filings are not received by October 16, 2006, the Commission will consider legal proceedings against you and the utility.

If you have any questions, you may call me at (502) 564-3940, extension 261.

Sincerely,


James R. Goff
Staff Attorney

JRG:v

cc: Mr. David Harrod
Harrod and Associates, PSC
2 HMB Circle
Frankfort, KY 40601