

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF ELAM UTILITY COMPANY,)	
INC., MORGAN & WOLFE COUNTY, KENTUCKY)	
FOR THE AUTHORIZATION TO BORROW)	CASE NO.
\$797,425 FROM THE ECONOMIC DEVELOPMENT)	2001-324
ADMINISTRATION THROUGH THE DEPARTMENT)	
FOR LOCAL GOVERNMENT)	

O R D E R

On October 4, 2001, Elam Utility Company, Inc. ("Elam") applied to the Commission for authority to borrow approximately \$797,425 from the Economic Development Administration through the Department for Local Government. In its filing, Elam requested permission to deviate from the requirements of Administrative Regulation 807 KAR 5:001, Section 6(1), 6(2), 6(3), 6(4), 6(6), 6(7), and 6(9).

Administrative Regulation 807 KAR 5:001, Section 6(1), 6(2), 6(3), 6(4), 6(6), 6(7), and 6(9) require the submission of information covering the period ending not more than 90 days prior to the date on which the application was filed, including the amount and types of stock authorized, amount and types of stock issued and outstanding, detail of preference terms of preferred stock, information regarding existing mortgages, existing bonds, outstanding notes, any other indebtedness, and a detailed income statement and balance sheet.

Elam has moved for a deviation from the 90-day requirement on the grounds that it can prepare complete financial statements only on an annual basis, that strict

compliance would be too costly for Elam, and that time restraints of the application process increase the difficulty of strict compliance.

In the interim, on October 16, 2001, Elam filed a balance sheet ending June 30, 2001 and a six-month income statement.

The Commission finds that Elam has presented good cause to grant the requested deviations from the requirements of Administrative Regulation 807 KAR 5:001, Section 6(1), 6(2), 6(3), 6(4), 6(6), 6(7), and 6(9). Good cause having been shown, the deviations should be granted.

IT IS THEREFORE ORDERED that:

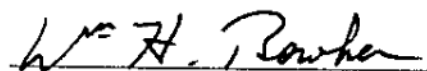
1. Elam's motion to deviate from the requirements of Administrative Regulation 807 KAR 5:001, Section 6(1), 6(2), 6(3), 6(4), 6(6), 6(7), and 6(9) is granted.

2. Elam's application is considered filed as of the date of this Order.

Done at Frankfort, Kentucky, this 25th day of October, 2001.

By the Commission

ATTEST:


Deputy Executive Director