



Frankfort Plant Board

Water
Cable
Electric
Security
Local Phone
Digital Cable
Long Distance
Community TV
Ethernet/Internet
Cable Modem/ISP
Cable Advertising

October 10, 2014

Mr. Jeff Derouen, Executive Director
Kentucky Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, KY 40602-0615

RECEIVED

OCT 10 2014

PUBLIC SERVICE
COMMISSION

RE: Case No. 2014-00254

Dear Mr. Derouen:

Enclosed for filing please find an original and six (6) copies of the parties' Joint Settlement Stipulation and Recommendation.

I appreciate your assistance. If you have any questions or require additional information, please contact Hance Price at (502) 352-4541 or hprice@fewpb.com.

Sincerely,

Kathy Poe
Executive Assistant/Paralegal

kp

Enclosures

cc: Donald T. Prather, Esq.
Raymond Edelman, Esq.
Jennifer Black Hans, Esq.
Gregory T. Dutton, Esq.

Equal Opportunity/Affirmative Action Employer

317 West Second Street (P.O. Box 308) Frankfort, Kentucky 40602 Phone (502) 352-4372
Fax (502) 223-3887 www.fpb.cc

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OCT 10 2014

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PROPOSED ADJUSTMENT OF THE WHOLESALE)
WATER SERVICE RATES OF THE FRANKFORT) CASE NO. 2014-00254
ELECTRIC AND WATER PLANT BOARD)

JOINT SETTLEMENT STIPULATION AND RECOMMENDATION

It is the intent and purpose of the parties to this proceeding, namely the applicant, Frankfort Electric and Water Plant Board ("Frankfort Plant Board" or "FPB"); and the Intervenor, Elkhorn Water District, Peaks Mill Water District, Farmdale Water District, Northeast Woodford County Water District, South Anderson Water District, North Shelby Water Company, U.S. 60 Water District of Shelby and Franklin Counties, Kentucky and the Attorney General of the Commonwealth of Kentucky ("Intervenor") to express their agreement on a mutually satisfactory resolution of all of the issues in the instant proceeding which shall hereafter be referred to as the "Stipulation" and/or "Recommendation".

It is understood by all parties hereto that this Recommendation is not binding upon the Public Service Commission ("Commission"), nor does it represent agreement on any specific theory supporting the appropriateness of any recommended adjustments to FPB's rates. The parties have expended considerable efforts to reach the stipulation and agreements that form the basis of this Recommendation. The parties, representing diverse interests and divergent viewpoints, agree that this Recommendation, viewed in its entirety, constitutes a reasonable resolution of all issues in this proceeding.

The adoption of this Recommendation will eliminate the need for the Commission and the parties to expend significant resources in litigation of this proceeding, and eliminate the possibility of, and any need for, rehearing or appeals of the Commission's final order. Therefore, the parties stipulate and recommend the following:

1. FPB should be permitted to adjust its rates to recover more in annual revenue than it is recovering under its current rates, with such rates to be effective for service rendered on and after November 1, 2014. The parties agree to phase in rate increases for the next four (4) years beginning with the current rate of \$2.25 per 1,000 gallons. Under this structure, the rates are as follows:

Year 1 (November 1, 2014 – October 31, 2015) - \$2.25 per 1,000 gallons

Year 2 (November 1, 2015 – October 31, 2016) - \$2.35 per 1,000 gallons

Year 3 (November 1, 2016 – October 31, 2017) - \$2.45 per 1,000 gallons

Year 4 (November 1, 2017 – October 31, 2018) - \$2.55 per 1,000 gallons

FPB will not increase the rates charged to the wholesale non-water producers (i.e. water districts and company) until after October 31, 2018. After October 31, 2018, FPB will continue to charge \$2.55 per 1,000 gallons until it files a revised tariff that is approved by the Commission. For the avoidance of doubt, changes in the Kentucky River Authority Withdrawal fee are not affected by this settlement.

The initial rate for water is established herein. Thereafter, all parties agree to attempt to resolve any future rate increases in good faith before filing with the Commission.

2. Each party waives all cross-examination of the witnesses of the other parties unless the Commission disapproves this Recommendation, and each party further stipulates and recommends that the testimony, pleadings and responses to data requests filed in this proceeding be admitted into the record.

3. This Recommendation is submitted for purposes of this case only and is not deemed binding upon the parties in any other proceeding, nor is it to be offered or relied upon in any other proceeding involving FPB or any other utility.

4. If the Commission issues an order adopting this Recommendation in its entirety, each of the parties agrees that it shall file neither an application for rehearing with the Commission, nor an appeal to the Franklin County Circuit Court with respect to that order.

5. If this Recommendation is not adopted in its entirety, each party reserves the right to withdraw from it and require that hearings go forward upon any or all matters involved, and that in such event the terms of this Recommendation shall not be deemed binding upon the parties, nor shall such Recommendation be admitted into evidence, or referred to, or relied upon in any manner by any party, the Commission, or its Staff in any such hearing.

6. The parties agree that the foregoing Recommendation is reasonable and in the best interests of all concerned, and urge the Commission to adopt the Recommendation in its entirety.

AGREED: This the ^{10th}~~3rd~~ day of October, 2014.

FRANKFORT ELECTRIC AND WATER
PLANT BOARD

BY: Herbbie Bannister /s/ Hana Prie with permission
HERBBIE BANNISTER, ITS GENERAL MANAGER

SOUTH ANDERSON WATER DISTRICT

By: Raymond Edelman /s/ Hana Prie with permission
RAYMOND EDELMAN, ESQ., ITS ATTORNEY

NORTH SHELBY WATER COMPANY, U.S. 60
WATER DISTRICT OF SHELBY AND FRANKLIN
COUNTIES, KENTUCKY, NORTHEAST
WOODFORD COUNTY WATER DISTRICT,
FARMDALE WATER DISTRICT, ELKHORN WATER
DISTRICT, PEAKS MILL WATER DISTRICT

BY: Donald T. Prather /s/ Hana Prie with permission
DONALD T. PRATHER, ESQ., THEIR ATTORNEY

ATTORNEY GENERAL OF THE COMMONWEALTH
OF KENTUCKY

By: Gregory T. Dutton
JENNIFER BLACK HANS, ESQ.
GREGORY T. DUTTON, ESQ.,
ITS ATTORNEYS

The Electric and Water Plant Board
of the City of Frankfort, Kentucky
(NAME OF UTILITY)

FOR Entire Service Area
P.S.C. KY. NO. 1
1st Revised SHEET NO. 1
CANCELLING P.S.C. KY. NO. 1
Original SHEET NO. 1

RATES & CHARGES


APPLICABILITY: All wholesale water users regulated by the Public Service Commission purchasing water from the FEWPB for resale.

AVAILABILITY OF SERVICE: To all water districts.

RATE: Year 1 (November 1, 2014 – October 31, 2015) - \$2.25 per 1,000 gallons
Year 2 (November 1, 2015 – October 31, 2016) - \$2.35 per 1,000 gallons
Year 3 (November 1, 2016 – October 31, 2017) - \$2.45 per 1,000 gallons
Year 4 (November 1, 2017 – October 31, 2018) - \$2.55 per 1,000 gallons

CONDITIONS OF SERVICE: Pursuant to contract.

NOTE: As of November 1, 2014, this tariff sheet cancels and replaces all other tariff sheets on file containing general rates applicable to wholesale water districts and implements the general rates established herein. FPB's tariff sheet containing charges for the Kentucky River Authority withdrawal fee on file with the Commission shall remain in full force and effect.

DATE OF ISSUE: October 10, 2014
MONTH / DATE / YEAR
DATE EFFECTIVE: November 1, 2014
MONTH / DATE / YEAR
ISSUED BY: 
SIGNATURE OF OFFICER

TITLE: General Manager

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____