

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PROPOSED ADJUSTMENT OF THE)
WHOLESALE WATER SERVICE RATES OF) CASE NO. 2015-00039
THE CITY OF AUGUSTA)

REPORT ON SETTLEMENT DISCUSSIONS

Pursuant to the Commission’s Order of December 9, 2015, the City of Augusta (“Augusta”) and Bracken County Water District (“Bracken District”) jointly submit this Report on the status of their discussions to resolve this matter.

1. On November 18, 2015, Augusta Utilities Manager Doug Padgett held discussions with the members of Bracken District’s Board of Commissioners. The participants engaged in open and frank discussions and reviewed a number of possible options to resolve their differences.

2. On December 1, 2015, Augusta submitted a counter proposal for Bracken District’s consideration.

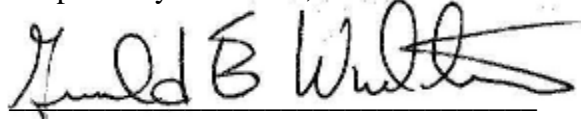
3. On December 16, 2015, Mr. Padgett and Chairman Anthony Habermehl met and engaged in further discussions. Following those discussions, the members of Bracken District’s Board of Commissioners developed a new proposal for Augusta’s consideration. Augusta is currently reviewing this proposal.

4. The parties have agreed to meet on January 5, 2016 for further discussions. The parties have requested that their legal counsel be present and participate in these discussions.

WHEREFORE, Augusta and Bracken District respectfully request that the Commission accept this Report on Settlement Discussions.

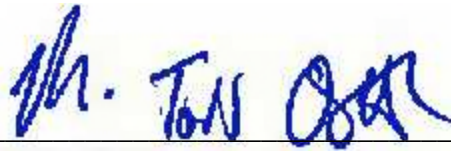
Dated: December 30, 2015

Respectfully submitted,



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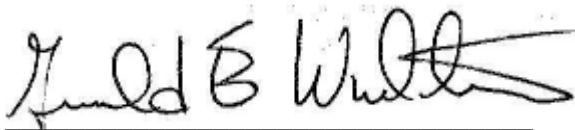
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CERTIFICATE OF SERVICE

In accordance with 807 KAR 5:001, Section 8, I certify that the December 30, 2015 electronic filing of this Report on Settlement Discussions is a true and accurate copy of the same document being filed in paper medium; that the electronic filing has been transmitted to the Commission on December 30, 2015; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that an original paper medium of the Third Request for Information will be delivered to the Commission on or before January 5, 2016.

A handwritten signature in black ink, appearing to read "Gerald E. Wuetcher", written over a horizontal line.

Gerald E. Wuetcher