



conditions under which Augusta would provide wholesale water service to Bracken District and the various aspects of the Parties' new arrangement.

3. Members of the Parties' governing bodies have reviewed these drafts and required revisions.

4. On January 20, 2016, the governing body of each Party held its regularly scheduled meeting and discussed the proposed contractual terms. Based upon the discussions at those meetings, it appears that the Parties are unable to agree on a critical term that was not originally discussed during the January 5, 2016 negotiations.

5. Despite their best efforts, it does not appear likely that the Parties will reach agreement. The Parties, however, are continuing their discussions.

6. On September 16, 2016, Bracken District moved to incorporate by reference the record of Case No. 98-497 into the record of the current proceeding. Augusta has not opposed this Motion.

7. On September 29, 2015, Bracken District moved to strike a significant portion of the evidentiary record. Augusta has submitted a response in opposition to this motion and Bracken District has submitted a reply.

8. The Commission has yet to address either motion. In the absence of an Order on these motions, neither party is certain as to the portions of the evidentiary record that can be properly referenced in its brief.

WHEREFORE, Augusta and Bracken District respectfully request that the Commission:

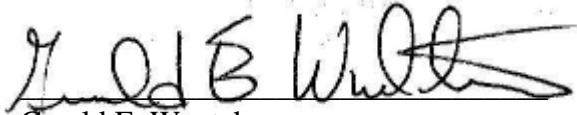
1. Accept this Report on Settlement Discussions; and,

2. Establish a briefing schedule for this matter that will permit the parties a minimum of 30 days to submit briefs from the date of the Order establishing the briefing schedule.

3. Prior to or simultaneous with the establishment of a new briefing schedule address all outstanding motions in this proceeding.

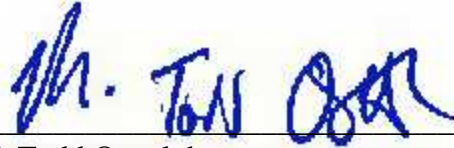
Dated: January 22, 2016

Respectfully submitted,



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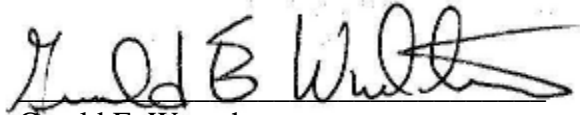
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CERTIFICATE OF SERVICE

In accordance with 807 KAR 5:001, Section 8, I certify that the January 22, 2016 electronic filing of this Report on Settlement Discussions and Motion 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 January 22, 2016; 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 Report on Settlement Discussions and Motion will be delivered to the Commission on or before January 26, 2016.

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

Gerald E. Wuetcher