

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

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 June 5, 2015, Augusta and Bracken District held settlement discussions in Augusta, Kentucky. They agreed that Bracken District would submit a proposal to the Augusta City Council for its consideration regarding the ownership, management and operation of Augusta’s Water Treatment Plant.

2. On June 12, 2015, Bracken District submitted a written proposal to Augusta’s Mayor for the Augusta City Council’s consideration.

3. On June 17, 2015, the Augusta City Council discussed Bracken District’s proposal at its regularly scheduled meeting, but took no action on the proposal. Augusta’s Mayor appointed a committee to review the proposal as well as Augusta’s other options regarding the Augusta’s Water Treatment Plant.

4. On June 19, 2015, representatives of Augusta and Bracken District again held discussions in Augusta, Kentucky. As part of these discussions, they jointly toured the Augusta Water Treatment Plant.

5. Augusta continues to review Bracken District’s proposal and intends to submit a response to Bracken District prior to July 15, 2015.

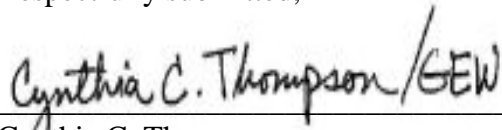
6. As settlement discussions are continuing, the Commission proceedings should continue to be held in abeyance to allow the parties an opportunity to resolve their differences.

7. No later than July 23, 2015, Augusta and Bracken District will file another report with the Commission on the status of their discussions.

WHEREFORE, Augusta and Bracken District respectfully request that the Commission continue to hold this proceeding in abeyance to permit them to continue settlement discussions.

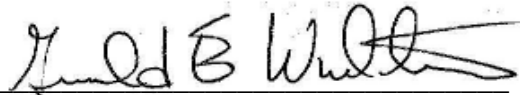
Dated: June 24, 2015

Respectfully submitted,

Handwritten signature of Cynthia C. Thompson in black ink, with the initials "CEW" written at the end of the signature.

Cynthia C. Thompson
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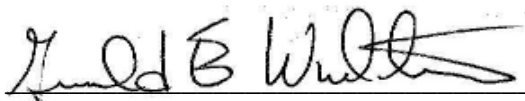
Handwritten signature of Gerald E. Wuetcher in black ink.

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Counsel for Bracken County Water District

CERTIFICATE OF SERVICE

In accordance with 807 KAR 5:001, Section 8, I certify that the June 24, 2015 electronic filing of 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 June 24, 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 June 26, 2015.

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

Gerald E. Wuetcher