

2000 PNC PLAZA 500 WEST JEFFERSON STREET LOUISVILLE, KY 40202-2828 MAIN: (502) 333-6000 FAX: (502) 333-6099

GERALD WUETCHER

DIRECT DIAL: (859) 231-3017 DIRECT FAX: (859) 258-3517 gerald.wuetcher@skofirm.com

October 5, 2015

Mr. Jeff Derouen, Esq. Executive Director Kentucky Public Service Commission Post Office Box 615 Frankfort, KY 40602-0615

Re: Case No. 2015-00039

City of Augusta, Kentucky

Dear Mr. Derouen:

This letter addresses statements set forth in the City of Augusta's ("Augusta") letter of October 2, 2015.

No settlement negotiations between counsel for Augusta and Bracken County Water District ("Bracken District") have occurred since August 20, 2015.

Any "settlement discussions" between counsel that occurred after August 20, 2015 have consisted almost entirely of inquiries from Bracken District regarding the status of Augusta's response to the proposal of August 20, 2015. As of this date, Bracken District has yet to receive a response to that proposal.

On September 24, 2015, with the approval of Bracken District's Board of Commissioners, a letter was sent to Augusta's counsel via electronic mail inquiring about Augusta's interest in settlement negotiations. A copy of this letter and Augusta counsel's acknowledgement of receipt is enclosed. Other than an acknowledgement of receipt, Bracken District has not received any response to this letter.

Very truly yours,

Stoll Keenon Ogden PLLC

Gerald Wuetcher

GEW Enclosures



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September 24, 2015

Mr. Todd Osterloh, Esq. Sturgill, Turner, Barker & Moloney, PLLC 333 West Vine Street, Suite 1400 Lexington, Kentucky 40507

Ms. Cynthia C. Thompson, Esq. 202 East Riverside Drive Augusta, Kentucky 41002

Re: PSC Case No. 2015-00039

City of Augusta, Kentucky

Dear Ms. Thompson and Mr. Osteroh:

I am writing to inquire whether the City of Augusta wishes to enter discussions to resolve the above-referenced matter. At the close of the hearing on September 8, 2015, Public Service Commission Vice-Chairman James Gardner encouraged the parties to engage in such discussions.

As you may recall, on August 20, 2015, Bracken County Water District submitted by email a proposal to begin discussions. While Augusta has not responded to that proposal, Bracken District remains ready to enter discussions. I have been advised that the Kentucky Rural Water Association, of which the City of Augusta and Bracken District are members, has offered to mediate any settlement discussions. Bracken District has no objection to KRWA's mediation.

As written briefs must be submitted in the rate case proceeding in the near future, I respectfully request a response to this letter at the earliest possible date.

Very truly yours,

Stoll Keenon Ogden PLLC

Gerald E. Wuetcher

GEW

Wuetcher, Gerald

From: Todd Osterloh <tosterloh@sturgillturner.com>

Sent: Thursday, September 24, 2015 3:11 PM

To: Wuetcher, Gerald; Cynthia C. Thompson (ccthompsonatty@yahoo.com)

Subject: RE: Case No. 2015-00039: City of Augusta

Jerry,

I have received your letter. I will discuss the issue with the Cynthia and the City. We will be in touch with you. Todd

From: Wuetcher, Gerald [mailto:Gerald.Wuetcher@skofirm.com]

Sent: Thursday, September 24, 2015 3:05 PM

To: Todd Osterloh; Cynthia C. Thompson (ccthompsonatty@yahoo.com)

Subject: Case No. 2015-00039: City of Augusta

Ms. Thompson/Mr. Osterloh:

The attached correspondence is self-explanatory. I respectfully request a response at your earliest convenience.

Sincerely,

Gerald E. Wuetcher Counsel to the Firm

Stoll Keenon Ogden PLLC

859-231-3000 (office) 859-231-3017 (direct) 859-550-3894 (cell) 300 West Vine St. Suite 2100 Lexington, KY 40507-1801 gerald.wuetcher@skofirm.com

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