

**RESOLUTION TO APPROVE FUNDING TO KSBA TO REPRESENT  
FAYETTE COUNTY PUBLIC SCHOOLS  
BEFORE THE PUBLIC SERVICE COMMISSION**

**BACKGROUND AND RATIONALE:** On November 26<sup>th</sup> Kentucky Utilities announced that it will be asking for an approximately 9.6% rate increase for all of its customers. The actual increase will differ for each rate structure, and many of our schools will see up to an 18% increase in their electricity costs. Had these rates been in effect for all of fiscal year 2014, the District could have expected to spend **more than \$850,000** more in electricity.

The Kentucky Public Service Commission has suspended implementation of the proposed rates until July 1, 2015 to allow for review of the request and to also allow for parties to voice their concerns over the proposed rate increase. In the past the Kentucky School Board Association has been able to successfully intervene in rate cases on behalf of school districts due to funding from the Council for Better Education (CBE). KSBA's successful intervention in the past has provided districts with the ability to keep schools on the much more favorable *All-Electric School* rate (which saves district over \$150,000 annually), in addition to providing funding for the School Energy Managers Program, as well as lowering the requested increase by as much as 30%. This year the funding from the CBE is unavailable and KSBA is asking for all the affected districts to help defray the costs for intervention in the rate case before the Public Service Commission.

KSBA is asking each of the eighty-four affected districts to pay an amount proportional to the number of schools in the district. KSBA is asking that each school board approve a maximum amount which would be representative of what this cost would be if only half of the affected districts agree to participate. This amount for Fayette County would be \$4,125 (if all districts were to agree to participate this amount would be lowered to \$2,750).

**PROPOSAL:** Approve up to \$4,125 to be paid to KSBA to represent the District's interests in Public Service Commission hearings.

**COST:**

<b><u>Item</u></b>	<b><u>Amount</u></b>	<b><u>Funding Source</u></b>	<b><u>Recurring/ Nonrecurring</u></b>	<b><u>Measurable Expected Impact and Timeline</u></b>
Approve funding for the district's portion of legal costs to KSBA for representation before the Public Service Commission	Up to \$4,125	General	Non-Recurring	This measure is an attempt to keep utility increases/costs lower

**STAFF CONTACTS:**

Mary Wright  
Logan Poteat

381-4165

**REFERENCE:**

01.11 (General Powers and Duties of the Board)

**RECOMMENDATION:**

A motion is in order to:  
“approve funding to KSBA to provide legal assistance and representation before the Public Service Commission.”

On motion by \_\_\_\_\_, seconded by \_\_\_\_\_, the Board approved funding to KSBA to provide legal assistance and representation before the Public Service Commission.

\_\_\_\_\_  
John Price, Board Chair

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Tom Shelton, Superintendent