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December 10, 2014

Dear Superintendent:

On November 26 the Louisville Gas and Electric and Kentucky Utilities Companies requested the Public Service Commission for authority to increase electric and gas rates. If approved as submitted individual schools will experience the following utility cost increases:

L GE Electric: 2.7 -5 percent

LGE Gas: 4.2 Percent

KU Electric: 9.7 to 18 percent

The PSC will suspend implementation of the proposed rates until July 1, 2015 to permit review of the request and for parties to voice their concerns. KSBA has intervened in past proceedings with funding from the Council for Better Education and has been successful in mitigating the requests. In order to intervene in the current cases it will be necessary for your district to contribute to an Intervention Fund of \$35,000 to cover legal and professional witness costs.

Attached is a list showing the cost per district if all or half of the eighty-four affected districts participate. District cost was calculated by assigning \$5,000 to the gas request and \$30,000 to the combined electric request. The gas cost was assigned to affected districts based on SY2013 gas consumption. The electric cost was assigned on the basis of affected K – 12 schools.

As a first step we are asking that you respond to this email by indicating **Yes** or **No** that you will recommend to your board participation up to the amount shown in the "Half" participating column. We are asking for an up to commitment as we cannot predict if all districts will participate. Next please insert that amount in the attached Resolution and present to your Board for authorization to participate in the intervention and committing the Board to reimburse KSBA for the Board's share of actual incurred intervention costs.

Your immediate attention to this matter is requested as the Petition for Intervention must be filed with the PSC this month.

Sincerely,

David Baird
Associate Executive Director

LGE-KU
Rate Case Intervention
Cost by District

Attorney - Client Privilege
Work Product
Confidential -Do Not Distribute

DISTRICT	Share		DISTRICT	Share	
	District's Participating All	Half		District's Participating All	Half
Anchorage	\$ 100	\$ 150	Jessamine	\$ 165	\$ 248
Anderson	\$ 330	\$ 495	Knox	\$ 165	\$ 248
Augusta	\$ 55	\$ 83	LaRue	\$ 285	\$ 428
Ballard	\$ 165	\$ 248	Laurel	\$ 385	\$ 578
Barren	\$ 110	\$ 165	Lee	\$ 110	\$ 165
Bath	\$ 165	\$ 248	Lincoln	\$ 275	\$ 413
Bell	\$ 385	\$ 578	Lyon	\$ 165	\$ 248
Bourbon	\$ 330	\$ 495	Madison	\$ 660	\$ 990
Boyle	\$ 275	\$ 413	Marion	\$ 257	\$ 386
Bracken	\$ 165	\$ 248	Mason	\$ 220	\$ 330
Bullitt	\$ 750	\$ 1,125	McCracken	\$ 220	\$ 330
Burgin	\$ 110	\$ 165	McCreary	\$ 165	\$ 248
Campbellsville	\$ 165	\$ 248	McLean	\$ 165	\$ 248
Carroll	\$ 220	\$ 330	Meade	\$ 117	\$ 175
Casey	\$ 275	\$ 413	Mercer	\$ 165	\$ 248
Caverna	\$ 165	\$ 248	Middlesboro	\$ 220	\$ 330
Christian	\$ 55	\$ 83	Montgomery	\$ 385	\$ 578
Clark	\$ 495	\$ 743	Muhlenberg	\$ 495	\$ 743
Clay	\$ 110	\$ 165	Nelson	\$ 219	\$ 328
Crittenden	\$ 165	\$ 248	Nicholas	\$ 110	\$ 165
Danville	\$ 275	\$ 413	Ohio	\$ 220	\$ 330
Dawson SP	\$ 55	\$ 83	Oldham	\$ 1,257	\$ 1,886
East Bernstadt	\$ 55	\$ 83	Pendleton	\$ 55	\$ 83
Elizabethtown	\$ 382	\$ 574	Pineville	\$ 110	\$ 165
Eminence	\$ 123	\$ 184	Pulaski	\$ 385	\$ 578
Estill	\$ 165	\$ 248	Robertson	\$ 55	\$ 83
Fayette	\$ 2,750	\$ 4,125	Rockcastle	\$ 220	\$ 330
Fleming	\$ 165	\$ 248	Rowan	\$ 110	\$ 165
Gallatin	\$ 220	\$ 330	Russell	\$ 220	\$ 330
Garrard	\$ 110	\$ 165	Science Hill	\$ 55	\$ 83
Grayson	\$ 275	\$ 413	Scott	\$ 660	\$ 990
Green	\$ 275	\$ 412	Shelby	\$ 501	\$ 751
Hardin	\$ 754	\$ 1,131	Somerset	\$ 165	\$ 248
Harlan Co	\$ 440	\$ 660	Spencer	\$ 110	\$ 165
Harlan Ind	\$ 165	\$ 248	Taylor	\$ 165	\$ 248
Harrison	\$ 275	\$ 413	Trimble	\$ 157	\$ 236
Hart	\$ 387	\$ 580	Union	\$ 275	\$ 413
Henderson	\$ 55	\$ 83	Washington	\$ 131	\$ 197
Henry	\$ 306	\$ 460	Webster	\$ 275	\$ 413
Hickman	\$ 110	\$ 165	West Point	\$ 62	\$ 93
Hopkins	\$ 385	\$ 578	Williamsburg	\$ 55	\$ 83
Jefferson	\$ 12,152	\$ 18,227	Woodford	\$ 385	\$ 578

\$35,000 Allocated on K-12 Schools: \$30,000 Electric LGE&KU:\$5,000 Gas LGE

Resolution of the Board

On November 26 the Louisville Gas and Electric and Kentucky Utilities Companies requested the Public Service Commission ("PSC") for authority to increase electric and gas rates. If approved as submitted individual schools will experience the following utility cost increases:

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LGE Gas: 4.2 Percent

KU Electric: 9.7 to 18 percent

On December 15, 2014 the Henderson Board of Education ("Board") hereby authorizes the superintendent to provide funding support to the Kentucky School Boards Association ("KSBA") up to \$83.00 to represent the interests of the Board before the PSC in Case Nos. 2014-00371 and 2014-00372. The Board will be billed and hereby commits to reimburse KSBA for its share of actual incurred intervention costs.

Henderson Board of Education

_____ Chair

_____ Attest

_____ Title