



FLOYD COUNTY BOARD OF EDUCATION
Stephen A. Trimble, Interim Superintendent
106 North Front Avenue
Prestonsburg, Kentucky 41653
Telephone (606) 886-2354 Fax (606) 886-8862
www.floyd.kyschools.us

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DATE: July 12, 2017

AGENDA ITEM: Consider/Approve resolution for participation in KSBA's Kentucky Power Company (KPC) Rate Increase Intervention fund not to exceed \$4,219.

APPLICABLE STATUTE(S), REGULATION(S), BOARD POLICY/PROCEDURE(S):
BOE Policy 01.11

FISCAL/BUDGETARY IMPACT: Maximum cost to the district will be \$4,219.

HISTORY/BACKGROUND: On June 28, 2017, the KPC submitted a request to the Public Service Commission for authority to increase electric rates by nearly \$70,000,000. If approved Kentucky's public schools will experience an increase of 16% +/- . KSBA has intervened in the past on issues such as this and is planning to again. The \$4,219 is Floyd County's maximum cost to participate in the intervention.

STAFF RECOMMENDATION & RATIONALE: Approve as presented.

CONTACT PERSON: Matthew C. Wireman, Director of Finance



Director



Superintendent

Resolution of the Board

On June 28, 2017 the Kentucky Power Company requested the Public Service Commission ("PSC") for authority to increase electric rates. If approved as submitted individual schools may experience an increase in excess of 16 percent.

On _____ the _____ Board of Education ("Board") hereby authorizes the superintendent to provide funding support to the Kentucky School Boards Association ("KSBA") up to \$_____ to represent the interests of the Board before the PSC in Case No. 2017-00179. The Board will be billed and hereby commits to reimburse KSBA for its share of actual incurred intervention costs.

_____ Board of Education

_____ Chair

_____ Attest

_____ Title

KENTUCKY
SCHOOL
BOARDS
ASSOCIATION



"A brighter future through better public schools"



260 Democrat Drive
Frankfort, KY 40601
1-800-372-2962 • FAX (502) 695-5451
KSBA Website: www.ksba.org

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June 29, 2017

Dear Superintendent:

Yesterday, June 28, 2017, the Kentucky Power Company (KPC) submitted a request to the Public Service Commission for authority to increase electric rates by nearly \$70,000,000. If approved as submitted schools will experience an increase in excess of \$1.8 million annually - 16 percent.

The PSC is expected to suspend implementation of the proposed rates until November 28, 2017 to permit review of the request and for parties to voice their concerns. The PSC further has further noticed that any party wishing to intervene must submit its motion requesting intervention by July 14, 2017.

KSBA has intervened in past proceedings supported by district contributions to an Intervention Fund. In order for KSBA to intervene in the current case you are being asked for your district to contribute to an Intervention Fund of \$30,000 to cover legal and professional witness costs. In KPC's 2014 case KSBA was successful in getting the requested annual increase for schools reduced by \$1,400,000, in part by \$500,000, through initiation of a Pilot School Rate. In addition, KPC agreed to provide \$400,000 to support energy managers in FY2016 and FY2017. Cost for that case was nearly \$20,000. This case is expected to be significantly more complicated.

Attached is a list showing the cost per district if all or half of the twenty-three affected districts contribute. District cost was assigned on the basis of affected K - 12 schools. A request for funding from the Council for Better Education (CBE) who has previously provided funding support is pending. To the extent CBE funding is received it will be used to reduce your districts contribution.

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 to approve 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 costs not to exceed the up to cap of \$30,000. When your Board acts please forward a copy of the approved Resolution for our files

Your immediate attention to this matter is requested as the Petition for Intervention must be filed with the PSC by July 14.

Sincerely,

Kerri Schelling

Associate Executive Director

Cc: Ron Willhite

**Kentucky Power Company
Rate Case Intervention
Cost by District**

Attorney - Client Privilege
Work Product
Confidential -Do Not Distribute

District	Share District's Participating	
	All	Half
Ashland Ind.	\$ 1,641	\$ 2,461
Boyd County	\$ 1,641	\$ 2,461
Breathitt County	\$ 1,172	\$ 1,758
Carter County	\$ 1,172	\$ 1,758
Fairview Ind.	\$ 469	\$ 703
Floyd County	\$ 2,813	\$ 4,219
Greenup County	\$ 1,406	\$ 2,109
Hazard Ind.	\$ 703	\$ 1,055
Jackson Ind.	\$ 234	\$ 352
Jenkins Ind.	\$ 234	\$ 352
Johnson County	\$ 1,406	\$ 2,109
Knott County	\$ 1,641	\$ 2,461
Lawrence County	\$ 938	\$ 1,406
Leslie County	\$ 1,172	\$ 1,758
Letcher County	\$ 1,875	\$ 2,813
Magoffin County	\$ 1,172	\$ 1,758
Martin County	\$ 1,172	\$ 1,758
Paintsville Ind.	\$ 469	\$ 703
Perry County	\$ 2,344	\$ 3,516
Pike County	\$ 4,219	\$ 6,328
Pikeville Ind.	\$ 469	\$ 703
Raceland-Worthington Ind.	\$ 703	\$ 1,055
Russell Ind.	\$ 938	\$ 1,406
	\$ 30,000	allocated on K-12 Schools