August 13, 2018

**THIS IS A DECISION PAPER**

TO: Hardin County Board of Education

FROM: Teresa Morgan, Superintendent

Subject: LGE-KU rate case intervention Resolution

**ISSUE:**

The Louisville Gas and Electric and Kentucky Utilities Companies have announced their intent to submit by September 28 requests to the Public Service Commission for authority to increase electric and gas rates.

In the case immediately prior to this one, the PSC authorized pilot school rates effective until the earlier of July 1, 2020, or the date of LGE/KU's next rate case filing. You should have received a letter from LGE/KU advising that school accounts participating in the pilot school rates will be returned to their former applicable rate with the filing of the new rate requests.

When it originally approved the pilot school rates, the PSC directed the companies to collect data and file semi-annual reports detailing monthly individual and aggregate load information and indicating preliminary findings regarding the schools' load characteristics. The PSC envisioned, "In the event that a future proposal is made either to extend the pilot school tariffs or to make them permanent, this load information will be used to determine whether the schools' load characteristics justify a special rate classification."

In the new rate case, KSBA will address several issues, including continuation of the pilot rates, which began in September 2017 and provided a cumulative $1.5 million annual benefit to Kentucky public and private schools.

The PSC is expected to suspend implementation of the proposed rates until April 1, 2019 to permit review of the request and for parties to voice their concerns. KSBA has in the past intervened on behalf of districts in utility rate cases, most recently in 2016 with the support of contributions to an intervention fund by affected districts. In the prior proceedings, the Council for Better Education provided $25,000 of the funding and districts provided $10,000. We don't know whether CBE will again be providing funding for the upcoming proceedings.

**RECOMMENDED MOTION:**

I move that the Board of Education approve the attached resolution authorizing the superintendent to provide funding support to the Kentucky School Boards Association (“KSBA”) up to $1923.00 to represent the interests of the Board before the PSC.