

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

KENTUCKY INDUSTRIAL UTILITY)	
CUSTOMERS, INC.)	
)	
COMPLAINANT)	
)	CASE NO.
V.)	2018-00035
)	
KENTUCKY POWER COMPANY)	
)	
DEFENDANT)	

ORDER

The Commission, on its own motion, hereby finds that this case should be opened to investigate the formal complaint filed by Kentucky Industrial Utility Customers, Inc. ("KIUC") alleging that, due to the federal corporate tax reduction, the rates of Kentucky Power Company ("Kentucky Power") are no longer fair, just, and reasonable. KIUC's complaint, originally filed against four utilities as Defendants in Case No. 2017-00477,¹ requests the establishment of regulatory liabilities to provide customers of each of the Defendants rate reductions because of tax expense savings from January 1, 2018, forward.

As discussed in the Order entered today in Case No. 2017-00477, the Commission granted motions in that case to establish separate, utility-specific proceedings, with one combined proceeding for Kentucky Utilities Company and

¹ *Kentucky Industrial Utility Customers, Inc. v. Kentucky Utilities Company, Louisville Gas and Electric Company, Kentucky Power Company, and Duke Energy Kentucky, Inc.* (filed Dec. 21, 2017).

Louisville Gas and Electric Company, to review the allegations set forth by KIUC. Therefore, this case is established to review the impacts of the federal corporate tax rate reduction on the rates of Kentucky Power. Although a substantial portion of the impacts of the tax rate reduction were incorporated into the rates approved by the Commission in its January 18, 2018 Final Order in Kentucky Power's recent rate case (Case No. 2017-00179), there are other aspects of the tax rate reduction that remain to be determined and reflected in rates.

As 807 KAR 5:001, Section 8, permits the Commission to direct the use of electronic filing procedures for cases that we initiate on our own motion, we find that electronic filing procedures should be used in this case. Kentucky Power, KIUC, and the Attorney General of the Commonwealth of Kentucky, by and through his office of Rate Intervention ("Attorney General"), will be made parties to this case, and each should follow the procedures set forth in 807 KAR 5:001, Section 8, when filing any document or paper in this matter.

Pursuant to 807 KAR 5:001, Section 8, unless a party granted leave to intervene states its objection to the use of electronic filing procedures in a motion for intervention, the party should be deemed to have consented to the use of electronic filing procedures and the service of all papers, including Orders of the Commission, by electronic means. Such parties should file with the Commission, within seven days of the date of entry of any Order of the Commission granting intervention, a written statement that certifies that the party or the party's authorized agent possesses the facilities to receive electronic transmissions and sets forth the electronic mail address to which all electronic notices and messages related to the proceedings should be served.

IT IS THEREFORE ORDERED that:

1. This case is opened to investigate KIUC's complaint, which is transferred from Case No. 2017-00477, regarding the impacts of the federal corporate tax rate reduction on the rates of Kentucky Power.

2. The record in Case No. 2017-00477 is incorporated by reference.

3. Kentucky Power, KIUC, and the Attorney General are made parties to this case and, pursuant to 807 KAR 5:001, Section 8(9), within seven days of entry of this Order, each shall file a written statement, with a copy to parties of record, that certifies that it, or its authorized agent, possesses the facilities to receive electronic transmissions and sets forth the electronic mail address to which all electronic notices and messages related to this proceeding should be served.

4. If a party objects to the use of electronic filing procedures and the Commission determines that good cause exists to excuse that party from the use of electronic filing procedures, service of documents on that party and by that party shall be made in accordance with 807 KAR 5:001, Section 4(8).

5. Should documents of any kind be filed with the Commission in the course of this proceeding, the documents shall also be served on all parties of record. A party filing a paper containing personal information shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

6. Kentucky Power shall continue to record deferred liabilities on its respective books for electric service as Ordered in Case No. 2017-00477, to reflect the reduction in the federal corporate tax rate to 21 percent and the associated savings in

excess deferred taxes, on an interim basis until utility rates are adjusted to reflect the federal tax savings.

7. Kentucky Power shall give notice of any hearing in accordance with the provisions set out in 807 KAR 5:001, Section 9(2). At the time publication is requested, Kentucky Power shall forward a duplicate of the notice and request to the Commission.

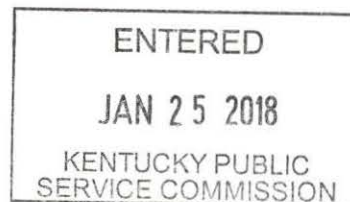
8. At any public hearing in this matter, neither opening statements nor summarization of direct testimonies shall be permitted.

9. Pursuant to KRS 278.360 and KAR 5:001, Section 9(9), a digital video transcript shall be made of the hearing.

10. The Commission does not look favorably upon motions for continuance. Accordingly, motions for extension of time with respect to the schedule herein shall be made in writing and will be granted only upon a showing of good cause.

11. Nothing herein shall prevent the Commission from entering further Orders in this matter.

By the Commission



ATTEST:


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