

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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| ELECTRONIC INVESTIGATION OF THE |) | |
| IMPACT OF THE TAX CUTS AND JOB |) | CASE NO |
| ACT ON THE RATES OF WATER SERVICE |) | 2018-00043 |
| CORPORATION OF KENTUCKY |) | |

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION
TO WATER SERVICE CORPORATION OF KENTUCKY

Water Service Corporation of Kentucky ("WSCK"), pursuant to 807 KAR 5:001, is to file with the Commission the original in paper medium and an electronic version of the following information. The information requested herein is due on or before April 20, 2018. Responses to requests for information in paper medium shall be appropriately bound, tabbed, and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

WSCK shall make timely amendment to any prior response if it obtains information that indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which WSCK fails or refuses

to furnish all or part of the requested information, it shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When filing a paper containing personal information, WSCK shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to WSCK's responses to Commission Staff First Request for Information, Item 1.

a. Explain if WSCK agrees that the calculation it provided is an appropriate method for calculating the impact of the decrease in the federal income tax rate from 35 percent to 21 percent on WSCK's revenue requirements.

b. If WSCK does not agree, explain why WSCK does not believe the method is appropriate, any alternative method proposed by WSCK, and WSCK's full reasoning for use of an alternative method.

c. Explain if WSCK agrees that the total reduction in revenue requirements WSCK calculated in this response, as a result of the decrease in the federal income tax rate from 35 percent to 21 percent, should reduce WSCK's rates to customers from January 1, 2018, forward.

d. If the response to Item 1.c. is no, explain whether there is any other calculation method that reflects a total reduction in revenue requirements for WSCK, as a result of the decrease in the federal income tax rate from 35 percent to 21 percent, that

WSCK agrees should reduce WSCK's rates to customers from January 1, 2018, forward, or explain why WSCK believes the decrease in the federal income tax rate should not be reflected in WSCK's rates.

for 
Gwen R. Pinson
Executive Director
Public Service Commission
P.O. Box 615
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DATED APR 06 2018

cc: Parties of Record

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