

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC INVESTIGATION OF THE)	
IMPACT OF THE TAX CUTS AND JOB ACT ON)	CASE NO.
THE RATES OF WKG STORAGE, INC.)	2018-00064

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION TO
WKG STORAGE, INC.

WKG Storage, Inc. (WKG Storage), pursuant to 807 KAR 5:001, is to file with the Commission an original in paper medium and an electronic version of the following information. The information requested herein is due on or before November 21, 2018. Responses to requests for information in paper medium shall be appropriately bound, tabbed, and indexed. Responses that are required to be provided on electronic medium shall in portable document format (PDF), shall be searchable and shall be appropriately bookmarked. 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 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.

WKG Storage shall make timely amendments to any prior response if it obtains information which 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 WKG Storage 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 should 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 document containing personal information, WKG Storage shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. On page 10 of her direct testimony, Jennifer Story states that WKG Storage's effective federal tax rate for its current fiscal year ending September 30, 2018, is 24.5 percent. However, in its response to Item 4, Attachment 1 of the Commission Staff's First Request for Information (Staff's First Request), Ms. Story uses a blended federal income tax rate of 27.0751 percent to estimate the excess deferred liability of \$820,929.

a. Provide a detailed explanation for the discrepancy between the two blended federal income tax rates for the fiscal year ending September 30, 2018, and identify the correct rate.

b. Provide the calculation of the correct blended federal income tax rate for the fiscal year ending September 30, 2018.

c. If the correct blended federal income tax rate is 24.5, percent provide a corrected schedule calculating the excess Accumulated Deferred Income Taxes (ADIT) and amortization.

d. Provide a copy of WKG Storage's response to Items 1.b and 1.c in Excel spreadsheet format with all formulas unprotected and all rows and columns fully accessible.

2. a. Provide the calculation of the blended federal income tax rate for the fiscal year ending September 30, 2019.

b. Provide an estimate of the impact the blended federal income tax rate for the fiscal year ending September 30, 2019, will have on the annual amortization of the excess ADIT. Provide a copy of this response in Excel spreadsheet format with all formulas unprotected and all rows and columns fully accessible.



Gwen R. Pinson
Executive Director
Public Service Commission
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DATED NOV 14 2018

cc: Parties of Record

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