



Matthew G. Bevin  
Governor

Charles G. Snavely  
Secretary  
Energy and Environment Cabinet

Commonwealth of Kentucky  
**Public Service Commission**  
211 Sower Blvd.  
P.O. Box 615  
Frankfort, Kentucky 40602-0615  
Telephone: (502) 564-3940  
Fax: (502) 564-3460  
psc.ky.gov

Michael J. Schmitt  
Chairman

Robert Cicero  
Vice Chairman

Talina R. Mathews  
Commissioner

July 16, 2018

## PARTIES OF RECORD

Re: Case No. 2018-00042  
ELECTRONIC INVESTIGATION OF THE IMPACT OF THE TAX CUTS AND  
JOB ACT ON THE RATES OF KENTUCKY-AMERICAN WATER COMPANY

Attached is a copy of the memorandum which is being filed in the record of the above-referenced case. If you have any comments you would like to make regarding the contents of the informal conference memorandum, please do so within five days of receipt of this letter. If you have any questions, please contact Mary Beth Purvis, Division Director of Financial Analysis at 502-782-2657.

Sincerely,

A handwritten signature in blue ink that reads "Gwen R. Pinson".

Gwen R. Pinson  
Executive Director

MBP/ch

Attachment

## INTRA-AGENCY MEMORANDUM

### KENTUCKY PUBLIC SERVICE COMMISSION

**TO:** Case File No. 2018-00042

**FROM:** Richard Raff

**DATE:** July 16, 2018

**RE:** Informal Conference of July 9, 2018

Pursuant to a Commission Staff notice dated July 6, 2018, an informal conference (IC) was held at the Commission's offices in Frankfort, Kentucky, on July 9, 2018. Attached is a copy of the attendance roster. The IC was held at the request of Commission Staff to discuss the tax issues pending in the investigation of the impact of the Tax Cuts and Jobs Act on the rates of Kentucky-American Water Co (Kentucky-American).

During the meeting, Kentucky-American further explained why it believes that no refunds can be made at this time associated with the ADIT impacts as it is unable to make the correct calculation at this time and cannot determine if the ADIT impact is an asset or a liability. For the Federal Income Tax portion, Kentucky-American referred to its filed testimony and the rate reduction and proposed rates contained therein. Staff asked if a surcharge rather than a rate reduction was possible. Kentucky-American responded that due to its billing system, adding a surcharge takes approximately six months to code while a rate change takes just a few days. Staff requested the total amount collected through June 2018 and an estimate for July 2018 in the deferred liability account set up as a result of the order related to Case No. 2017-00481.<sup>1</sup>

The Attorney General also requested confirmation for Kentucky-American's response to the April 20, 2018 Second Request for Information, Item 9.

There being no further discussion, the IC was then adjourned.

cc: Parties of Record

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<sup>1</sup> Case No. 2017-00481, *Electronic Investigation of the Impact of the Tax Cuts and Job Act on the Rates of Atmos Energy Corporation, Delta Natural Gas Company, Inc., Columbia Gas of Kentucky, Inc., Kentucky-American Water Company, and Water Service Corporation of Kentucky* (Ky. PSC Jan. 30, 2018)

7/9/18

Kentucky American Listers Case No. 2018-042

RICHARD RAFF	PSC
Linda Bridwell	KAWC
Lindsay Ingram	KAW/SKO
Mark Frost	PSC
Kent Chandler	KYOAG
Mary Beth Purvis	PSC
Julie Stepanski	PSC
Tom Livens	PSC

\*David Hinkson  
Kentucky-American Water Company  
2300 Richmond Road  
Lexington, KY 40502

\*Monica Braun  
STOLL KEENON OGDEN PLLC  
300 West Vine Street  
Suite 2100  
Lexington, KENTUCKY 40507-1801

\*Justin M. McNeil  
Office of the Attorney General Office of Rate  
700 Capitol Avenue  
Suite 20  
Frankfort, KENTUCKY 40601-8204

\*Rebecca W Goodman  
Assistant Attorney General  
Office of the Attorney General Office of Rate  
700 Capitol Avenue  
Suite 20  
Frankfort, KENTUCKY 40601-8204

\*Kent Chandler  
Assistant Attorney General  
Office of the Attorney General Office of Rate  
700 Capitol Avenue  
Suite 20  
Frankfort, KENTUCKY 40601-8204

\*Honorable Lindsey W Ingram, III  
Attorney at Law  
STOLL KEENON OGDEN PLLC  
300 West Vine Street  
Suite 2100  
Lexington, KENTUCKY 40507-1801

\*Larry Cook  
Assistant Attorney General  
Office of the Attorney General Office of Rate  
700 Capitol Avenue  
Suite 20  
Frankfort, KENTUCKY 40601-8204

\*Kentucky-American Water Company  
2300 Richmond Road  
Lexington, KY 40502

\*Linda C Bridwell  
Director Engineering  
Kentucky-American Water Company  
2300 Richmond Road  
Lexington, KY 40502