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October 22, 2018

VIA ELECTRONIC FILING

Ms. Gwen Pinson
Executive Director
Kentucky Public Service Commission
P.O. Box 615
Frankfort, KY 40602-0615

**RE: *Kentucky Industrial Utility Customers, Inc. v. Kentucky Utilities Company
and Louisville Gas and Electric Company***
Case No. 2018-00034

Dear Ms. Pinson:

By this letter, Louisville Gas and Electric Company and Kentucky Utilities Company (“the Companies”) give notice that they will not pursue judicial review of the Commission’s Order of September 28, 2018 in the above-referenced proceeding.

The Companies’ decision reflects their assessment that the overall amount of benefits associated with the Tax Cuts and Jobs Act (“TCJA”) as determined in the September 28, 2018 Order is a reasonable amount to be distributed to customers through the TCJA surcredits and other rate mechanisms, their desire to terminate the TCJA surcredits when base rates are expected to change on April 30, 2019, their concern with complicating the termination of the TCJA surcredits next year if an appeal is pending in the courts, their acknowledgement of the time and resources required for an appeal, and their interest in bringing finality to this matter.

This decision should not be construed as their acquiescence to the procedural analysis, set forth in the Order of September 28, 2018, concerning whether an offer and acceptance of satisfaction in a complaint proceeding may be modified without a public hearing and all parties’ consent, or in general that a settlement in any proceeding may be modified without notice and a public hearing. The Companies do not agree with this portion of Order’s analysis, do not recognize it as binding precedent, and reserve the right to contest this issue in future proceedings. However, this portion of the Order’s analysis is not necessary to the determination of the reasonable amount of benefits associated with the Tax Cuts and Jobs Act

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to be distributed to customers through the TCJA surcredits and other rate mechanisms. Because it is dicta related to the procedures used in the case, the Companies will not pursue further review of this Order.

Respectfully yours,



Kendrick R. Riggs

KRR:ec

cc: Kent A. Chandler and Lawrence W. Cook, Attorney General's Office of Rate Intervention
Michael L. Kurtz, Boehm Kurtz & Lowry
Robert M. Conroy, Vice President-State Regulation and Rates, LG&E and KU Services Company
Allyson K. Sturgeon, Managing Senior Counsel, Regulatory and Transactions, LG&E and KU Services Company