



MONICA H. BRAUN
DIRECT DIAL: (859) 231-3903
DIRECT FAX: (859) 259-3503
MONICA.BRAUN@SKOFIRM.COM

300 West Vine Street
Suite 2100
Lexington, KY 40507-1801
Main: (859) 231-3000
Fax: (859) 253-1093

May 4, 2018

ELECTRONICALLY FILED

Ms. Gwen R. Pinson
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40601

RE: Case No. 2018-00040 – Electronic Investigation of the Impact of the Tax Cuts and Job Act on the Rates of Delta Natural Gas, Inc.

Dear Ms. Pinson,

The PSC's Order dated February 26, 2018, which sets forth the procedural schedule for the above-referenced case, and the Commission Staff's First Request for Information to Delta Natural Gas, Inc., dated March 13, 2018, state the following:

Any party 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.

In April 2018, the Commonwealth of Kentucky passed legislation lowering the corporate income tax rate from 6% to 5%. In accordance with the February 26, 2018 order and the data request, Delta has revised the schedules provided in response to the Commission Staff's First Request for Information. Within the schedules the following inputs have been revised:

- Item 5 - State income tax rate (cell C39)
- Item 8.1 - Statutory rate utilized to re-measure deferred income taxes (column G)
- Item 8.1 - Calculation of deferred taxes on the 2018 Federal regulatory liability (cell b50)
- Item 8.2 - Excess deferred income taxes on the 2005 Kentucky regulatory liability (cell

C16)

- Item 8.2 - Calculation of deferred taxes on the 2005 Kentucky regulatory liability (cell c19)

In addition, Delta has also revised the schedules that were provided in response to Item No. 1 of the Attorney General's Request for Information, which requested the exhibits and schedules provided with the testimony of Mr. Matthew D. Wesolosky:

- MDW-2 State tax rate (cell D31)
- MDW-3 Statutory rate utilized to re-measure deferred income taxes (column G)
- MDW 3.1 - Calculation of the 2005 Kentucky regulatory liability (cell D21)
- MDW 3.1 - Calculation of deferred income taxes on the 2005 Kentucky regulatory liability (cell D24)
- MDW 4- Calculation of the 2018 regulatory liability (cell D21)
- MDW 4- Calculation of deferred income taxes on the 2018 regulatory liability (cell D21)
- MDW 6 - Statutory rate utilized to determine tax benefit of plant related additions (cell E14)

Formulas in the data request schedules are dependent on these inputs and the results of those formulas have been updated accordingly.

In accordance with 807 KAR 5:001, Section 8, I certify that the electronically filed documents are a true and accurate copy of the same documents being filed in paper medium; that the electronic filing has been transmitted to the Commission on May 4, 2018; that there are currently no parties in this proceeding that the Commission has excused from participation by electronic means; and that the original copy in paper medium will be filed by hand-delivery with the Commission within two business days from the date of the electronic filing.

Sincerely,

Stoll Keenon Ogden PLLC



Monica H. Braun