

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 THE RATES OF ) CASE NO. 2018-00042  
KENTUCKY-AMERICAN WATER )  
COMPANY )

**ATTORNEY GENERAL’S MOTION TO HOLD REQUEST FOR HEARING IN ABEYANCE AND TO IMPLEMENT THE PROPOSED INTERIM RATE RELIEF**

Comes now the intervenor, the Attorney General of the Commonwealth of Kentucky, Andy Beshear, by and through his Office of Rate Intervention (“Attorney General”), and hereby moves the Commission to hold his request for a hearing in abeyance and to implement interim rate relief.

On May 7, 2018, the Attorney General requested the Commission hold a hearing in this matter and schedule an informal conference (“IC”). An IC was held on July 9, 2018 and a summary memo of this IC was filed into the record. Upon information received at the July 9, 2018 IC, particularly regarding the time required for Kentucky American Water (“KAW”) to gather the ADIT information necessary in order to provide a return of excess ADIT, the Attorney General believes a hearing in this matter is premature.

The Attorney General understands KAW has provided, or will soon provide, all of the information necessary for customers to receive interim rate relief from the reduction in the federal income tax (“FIT”), and thus KAW’s actual reduction in FIT expense. As the excess ADIT portion is not yet ascertainable with certainty, the Attorney General sees no just reason to delay a reduction to customers stemming from the Tax Cuts and Jobs Act (“TCJA”) in the form of the FIT reduction.

Therefore, the Attorney General recommends that the Commission approve and implement the FIT reduction proposed by KAW and hold the rest of this matter, including the Attorney General's request for a hearing, in abeyance until the necessary information regarding ADIT is available. In furtherance of this request, the Attorney General respectfully moves this case remain open and on the Commission's docket until the ADIT information becomes available or KAW files an application for a general adjustment in rates. Should KAW file a general adjustment in rates before any information is provided in this docket, the Attorney General reserves the right to request the Commission merge this matter with that general rate adjustment docket, if doing so is in the best interest of customers. The Attorney General's instant motion is for the distinct purpose of advocating for timely interim rate relief, while maintaining customers' ultimate right to the entirety of the savings afforded by the passage of the TCJA. As such, the Attorney General reserves his right to participate further in this matter, or in others, in order to properly represent consumers.

Respectfully submitted,

ANDY BESHEAR  
ATTORNEY GENERAL



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