

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

In the Matter of:

Electronic Application of Water Service)
Corporation of Kentucky for a General) Case No. 2018-00208
Adjustment in Existing Rates)

RESPONSE TO COMMISSION ORDER

In response to the Commission’s Order dated June 18, 2019, in this matter, Water Service Corporation of Kentucky (“WSCK”), by counsel, provides the following information verifying WSCK’s refund related to the Tax Cuts and Jobs Act.

In its Order dated February 11, 2019, the Commission required WSCK to provide a surcredit of \$0.133 per 1,000 gallons from February 12, 2019, to February 11, 2020. On rehearing, the Commission approved WSCK’s request for “a true up at the end of the refund period (February 11, 2020) if the amount that it refunds to its customers is above or below a five percent variance from the \$54,199 amount.” The Commission further required WSCK to provide documentation verifying the amount of the true up.

WSCK provided a credit on bills in the amount of \$0.133 for the twelve-month period. As shown in the chart below, WSCK’s refund was within the five-percent variance approved by the Commission. WSCK, therefore, did not need to perform a true up at the expiration of the February 11, 2020, term.

**Water Service Corporation of Kentucky
Tax Cut and Jobs Act Surcredit Reconciliation**

Month of Billing

Period Start Date	Volume (Kgals)	Surcredit Refunding
Feb-19	30,383	\$ (4,043.07)
Mar-19	32,661	\$ (4,346.35)
Apr-19	34,104	\$ (4,538.21)
May-19	33,672	\$ (4,479.33)
Jun-19	34,529	\$ (4,593.06)
Jul-19	34,011	\$ (4,525.65)
Aug-19	34,675	\$ (4,614.43)
Sep-19	31,281	\$ (4,162.86)
Oct-19	35,135	\$ (4,675.46)
Nov-19	29,466	\$ (3,921.41)
Dec-19	32,025	\$ (4,262.21)
Jan-20	31,848	\$ (3,619.82)
Feb-20	23,658	\$ (306.82) *
Total	417,449	\$ (52,088.68)

Ordered Credit \$ (54,199.00)

Ordered Surcredit Range for Reconciliation

95%	\$ (51,489.05)
105%	\$ (56,908.95)

Order Compliance? TRUE

***Note:** February 2020 has a much lower reconciliation total as the surcredit applies only to bills whose start dates are on or before February 10th, 2020. This is a small subset of the February 2020 bills.

Respectfully submitted,



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