

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)	CASE NO.
THE RATES OF WKG STORAGE, INC.)	2018-00064

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO
WKG STORAGE, INC.

WKG Storage, Inc. (WKG Storage), pursuant to 807 KAR 5:001, is to file with the Commission an original in paper medium and an electronic version of the following information. The information requested herein is due October 29, 2018. Responses to requests for information shall be appropriately bound, tabbed, and indexed. Responses that are required to be provided on electronic medium shall in portable document format (PDF), shall be searchable and shall be appropriately bookmarked. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

WKG Storage shall make timely amendments to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct

when made, is now incorrect in any material respect. For any request to which WKG Storage fails or refuses to furnish all or part of the requested information, it shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention should be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When filing a document containing personal information, WKG Storage shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to the Direct Testimony of Joe T. Christian, page 7 lines 7–8. Mr. Christian states that the revised model reflecting the federal income tax change from 35 percent to 21 percent results in an annual reduction of approximately \$57,000.

a. Provide copies of the workpapers that support WKG Storage's referenced model.

b. Refer to Exhibit JTC-1. This exhibit estimates the difference in annual revenue to be \$(56,496) using the monthly demand charge. Using the annual demand charge, the difference in the annual revenue requirement is \$(104,300). Provide an explanation supporting the use of the monthly demand charge. If the annual demand charge is the appropriate component, provide an update to Exhibit JTC-1.

c. Provide a copy of this response in Excel spreadsheet format with all formulas unprotected and all rows and columns fully accessible.

2. Refer to the Direct Testimony of Jennifer K. Story (Story Direct Testimony), page 10, lines 17–22.

a. Provide estimates of the excess deferred liability and amortization for the fiscal year ended September 30, 2019, using the TCJA federal income tax rate of 21 percent.

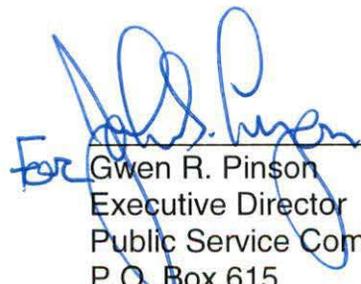
b. Provide a copy of this response in Excel spreadsheet format with all formulas unprotected and all rows and columns fully accessible.

3. Refer to the Story Testimony, page 11, lines 3–7 and page 12 lines 1–2.

a. WKG Storage has estimated an excess deferred liability of \$820,929 and an estimated 32-year amortization period. WKG Storage states that it will have the actual amounts in October 2018 after its parent company file their consolidated federal income tax return. When available, provide the actual excess deferred liability and actual amortization period.

b. Provide a copy of this response in Excel spreadsheet format with all formulas unprotected and all rows and columns fully accessible.

4. Refer to the Story Direct Testimony, page 11, lines 22–23 and continuing onto page 12, lines 1–2. Provide annual estimates of the amortization of the excess deferred income taxes.


Gwen R. Pinson
Executive Director
Public Service Commission
P.O. Box 615
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DATED OCT 19 2018

cc: Parties of Record

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