



COMMONWEALTH OF KENTUCKY
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March 28, 2018

Via Electronic and Regular Mail

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220 W. Main Street
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RECEIVED

MAR 29 2018

PUBLIC SERVICE
COMMISSION

In Re: Kentucky Industrial Utility Customers, Inc., Complainant v. Kentucky Utilities Company, & Louisville Gas & Electric Company, Defendants; Case No. 2018-00034;

Counsel:

The Attorney General is in receipt of a letter, received by electronic means, dated March 26, 2018 from Mr. Kendrick R. Riggs of Stoll Keenon Ogden, on behalf of Kentucky Utilities Company ("KU") and Louisville Gas and Electric Company ("LG&E") (collectively, "Companies"). The letter states that the Companies are exercising their right to withdraw from the Offer and Acceptance of Satisfaction, and provided notice of such withdrawal. The Companies further stated that such withdrawal is provided for in Section 5.6 of the Offer and Acceptance of Satisfaction as the Commission's March 20, 2018 Order "made a material modification to the Tax Cuts and Jobs Act Surcredit proposed by the Offer and Acceptance of Satisfaction." The Attorney General is also in receipt, by electronic means, of a Petition for Reconsideration and Request for Hearing filed by the Companies on March 26, 2018.

As mentioned in Mr. Riggs' letter, Section 5.6 provides for the process in which a party that is adversely affected by an order denying or modifying the Offer and Acceptance of Satisfaction may withdraw. The Companies have seemingly complied with that process by timely (1) giving notice of withdrawal to all other parties and (2) filing for rehearing. Section 5.6 of the Offer and Acceptance of Satisfaction also provides for other Parties to withdraw, in the event a different Party timely seeks rehearing. The Attorney General is hereby exercising his right to withdraw from the Offer and Acceptance of Satisfaction. This letter provides notice of the Attorney General's withdrawal.

Later today, the Attorney General will file a response to the Companies' Petition for Reconsideration and Request for Hearing, effectively objecting to the request for rehearing and to the Companies' proposal to implement surcredit rates lower than that provided for in the Commission's March 20, 2018 Order.

Should you have any questions, please feel free to contact me at your convenience.

Sincerely,



Kent A. Chandler
Assistant Attorney General

cc:

Gwen Pinson
Executive Director
Kentucky Public Service Commission
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