

Commonwealth of Kentucky

HOUSE OF REPRESENTATIVES

TIM COUCH
P.O. Box 710
Hyden, Kentucky 41749
502) 564-8100, Ext. 632
Legislative Message Line
800-372-7181



90th LEGISLATIVE DISTRICT

January 17, 2018

STATE CAPITOL
Room 429F, Capitol Annex
Frankfort, Kentucky 40601
tim.couch@lrc.ky.gov

RECEIVED

JAN 19 2018

PUBLIC SERVICE
COMMISSION

Mr. Michael Schmitt, Chairman
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602-0615

Dear Chairman Schmitt:

On behalf of our constituents in Eastern Kentucky, I urge you to take prompt action to resolve the review of Kentucky Power's corporate taxes to reflect the recent reduction in the federal corporate income tax rate. As an investor-owned utility regulated by the Kentucky Public Service Commission, Kentucky Power is authorized to charge rates set by you and recover its operating costs from its customers. Federal income tax is one such cost.

On December 22, 2017, President Trump signed the Tax Cuts and Jobs Act into law. This law significantly cuts corporate taxes for utilities, including Kentucky Power, by reducing the federal corporate income tax rate from 35 to 21 percent. The residents of Eastern Kentucky are relying on you to adjust the company's revenue requirements to reflect this federal corporate income tax reduction and use the savings to lower rates for Kentucky Power's customers.

Winter months in Eastern Kentucky are a critical time for many residents, making a quick decision from you more prudent. Please take the necessary steps for expeditious action to pass the benefits of the corporate tax cut on to Eastern Kentucky families and businesses as soon as possible. They deserve fair and reasonable electric rates from the federal tax savings realized from the Tax Cuts and Jobs Act.

Thank you for your time and consideration in this matter. If you have any questions, please feel free to call me at (502) 564-8100.

Sincerely,

A handwritten signature in black ink that reads "Tim Couch".

Tim Couch
State Representative
House District 90

cc: Robert Cicero, Vice Chairman
Talina Matthews, Commissioner