

WHEREFORE, Staff prays the Commission will accept this *Reply* as a full and just accounting of Staff's review; and grant such other and further relief as the Commission considers just in the circumstances.

/s/ Whitney Payne

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by electronic mail, or First Class United States Postal Mail, postage prepaid, on this 25th day of January, 2018, to all counsel of record.

/s/ Whitney Payne

On December 22, 2017, President Trump signed into law the US Tax Cuts and Jobs Act (TCJA), which took effect on January 1, 2018. As part of this tax reform, there will be material financial impacts to large Missouri utility companies, many of which are not fully known at this time due to the infancy of this change. This new tax law consists of roughly 1,000 pages of new tax rules that will require significant study and interpretation. Much research will need to be performed to determine all sections of the new tax reform that has applicability to regulated utilities. In addition, after learning about these new rules, Staff discovered the new rules would have to be applied to each utility's specific tax situation, which will also require a significant amount of time. Simply put, there is not enough time to adequately respond to all of the changes that have occurred due to passage of the TCJA in the current rate cases filed by Laclede Gas Company ("Laclede" or "LAC") and Missouri Gas Energy ("MGE"). For this reason, the amounts provided in this filing regarding TCJA revenue requirement impacts are by necessity preliminary and do not purport to be a comprehensive quantification of all possible TCJA rate impacts. At this time, Staff does not have the information necessary to perform calculations for many of the items discussed below and thus has no ability to propose a revenue requirement adjustment with a reasonable degree of accuracy.

LAC's and MGE's tax returns are filed as part of a larger consolidated tax return that is filed by Spire Inc. Spire Inc. typically files its tax return no later than June each year. The ongoing corporate tax rate under the TCJA that would be applied to normalized taxable income for purposes of this rate case would be 21% effective January 1, 2018; however, Spire Missouri, consisting of the LAC and MGE divisions, has a financial closing date for financial reporting and tax purposes of September 30 each year. Even though the new corporate tax rate takes effect after Spire Missouri's fiscal year has already begun, any quantification of the ongoing level of

income taxes for ratemaking purposes should assume a full year at the 21% tax rate¹ as opposed to use of a “blended” rate. If the new federal corporate tax rate of 21% is applied to Staff’s current Accounting Schedules that incorporate Staff’s true up audit revenue requirement recommendations, application of the lower corporate tax rate would decrease LAC’s revenue requirement by approximately \$8.6 million and MGE’s revenue requirement would decrease by approximately \$6.5 million, or a \$15.1 million decrease in total. Again, these quantifications are for the corporate tax rate reduction alone; other impacts of the TCJA on utility revenue requirements cannot be quantified at this time.

It should be noted that the TCJA corporate tax reduction estimates provided above assume that Staff’s current revenue requirement positions will be adopted in full. In the event the Commission decides to reflect the impact of the TCJA in the current LAC and MGE rate cases, the Commission should be aware that an accurate quantification of the TCJA revenue requirement impacts cannot be made until all outstanding issues in these rate cases have been decided by the Commission.

Staff would also like to present a brief discussion of some of the known or possible TCJA impacts on Laclede’s and MGE’s revenue requirements. This is not intended to be an exhaustive list:

- (1) Spire Missouri has been utilizing bonus depreciation as a deduction to taxable income since reenactment in 2010 and this deduction, along with increased capital expenditures, has been the primary driver of LAC’s and MGE’s net operating loss positions because businesses were allowed to take an immediate large first year

¹ The calculation of the TCJA impacts in Spire’s January 22 and 23, 2018, filings with the Commission reflect an annualized income tax rate of 21%.

deduction on new eligible business property. Under the new tax rules, utilities can only rely on the traditional Modified Accelerated Cost Recovery System (MACRS) depreciation rules under Section 168 of the Internal Revenue Service Code, which provide significantly less tax benefit to the utilities than the previously allowed bonus depreciation methodology. However, Staff understands that some limited bonus depreciation benefits may continue to be available to utilities for plant projects under construction at September 30, 2017, Staff's true-up cutoff date in the current rate proceeding. If the Commission's intent is to consider updating this particular rate base item along with other TCJA impacts effective January 1, 2018, due to the TCJA changes affecting LAC's and MGE's ongoing balance of accumulated deferred income taxes (ADIT), the Commission should be aware that Staff does not have the necessary information at this time to determine what an appropriate ADIT balance in rate base should be measured as of January 1, 2018.

- (2) As part of Spire Missouri's current cost of service, state tax is a deduction in the calculation of federal tax. Spire Missouri has not incurred city tax since 2013, so no such deduction was included. As far as Staff is aware, the state and local tax rules have not been changed in response to the TCJA; but such changes are possible.
- (3) As part of Staff's income tax calculation, a deduction is currently included in the cost of service for interest expense in an amount consistent with Staff's proposed capital structure and return on equity. Staff is aware of provisions within the TCJA that will affect the amount of interest expense deductions that companies in general can take. Further research and analysis is necessary before Staff can determine whether such

changes will apply to regulated utilities, and how that might affect how Staff currently quantifies interest expense deductions for Missouri ratemaking purposes.

(4) Staff has included a proposed level of ADIT as an offset to rate base in this case.

There is, however, an impact on LAC's and MGE's current ADIT balances from the TCJA because the deferred taxes reflected on LAC's and MGE's books through December 31, 2017, were calculated assuming a 35% federal tax rate. These recorded deferred taxes were in effect a prepayment of income tax, creating interest-free funds that the Company can use. For that reason, the net balance of ADIT is reflected in utility cost of service as a reduction to rate base. However, any deferred taxes generated beginning January 1, 2018, will be recorded at the new 21% tax rate. In addition, any deferred taxes remaining on Laclede's and MGE's books that were recorded by LAC and MGE assuming a 35% federal corporate tax rate will actually be paid by Spire under a 21% federal corporate tax rate. This means that LAC's and MGE's accumulated deferred tax reserves are now overstated, and the excess deferred tax amount (the difference between the deferred tax amounts calculated using a 35% rate and a 21% rate) should be flowed back to customers in rates as a reduction to cost of service over time. The excess amount of deferred taxes in light of the TCJA is expected to be material. The calculations required to return excess deferred taxes to customers are complex and time-consuming, and the rate impact of this flow back cannot be quantified at this time.

In summary, it is true that the TCJA will have a direct impact on LAC's and MGE's revenue requirements. However, it is virtually impossible with the lack of data and lack of complete knowledge of all of the possible changes to applicable deductions and credits to

determine ratemaking adjustments that would accurately reflect these changes on a comprehensive basis within the context of the current LAC and MGE rate cases.

--*Lisa M. Ferguson*

As discussed in Spire's January 22, 2018, filing with the Commission, Staff has taken a consistent position in this case that isolated changes to LAC's and MGE's revenue requirements tied to events occurring after September 30, 2017 (the end of the ordered true-up period in this case), should not be included in LAC's and MGE's current rate cases. Staff's position on this matter has not changed with the recent passage of the TCJA. Staff does not recommend that the impacts of the federal tax law be reflected in LAC's and MGE's rates in the current rate cases. This position is based upon Staff's traditional stance that isolated adjustments outside an ordered test year/update period/true-up period generally should not be reflected in customer rates, and because a comprehensive and accurate revenue requirement impact from the TCJA cannot be calculated at this time. However, as discussed below, Staff does hold that the financial impact of TCJA changes on Laclede and MGE, and on Missouri's large utilities in general, is of the nature and magnitude that authorization of special accounting procedures should be considered to govern ongoing utility recording of TCJA revenue requirement impacts, and appropriately preserve the opportunity for ongoing TCJA revenue requirement changes to be reflected in customer rates in the future.

As the Commission is aware in the context of utility accounting authority applications (AAOs), it has the authority to order utilities to "defer" certain costs for regulatory accounting purposes; i.e., record the amounts on the company's balance sheet as a regulatory asset instead of charging the amount to expense as incurred. Deferral treatment allows the utility the opportunity

to seek recovery of the deferred costs in a subsequent rate case even when the amounts in question were incurred outside of a utility test year.

Authorization for cost deferrals through AAOs are usually related to the costs associated with unexpected extraordinary events, such as natural disasters. However, as explained in more detail below, the concept can apply as well to significant, unexpected events such as the TCJA. In those situations, a reduction in expense associated with an extraordinary event could be deferred to the utility's balance sheet as a regulatory liability instead of flowing through the income statement as increased profitability. Then, in the utility's next general rate proceeding, or at another appropriate time, the regulatory liability would be included in the utility's cost of service via an amortization as a reduction to the company's cost of service.

The TCJA impacts on calculation of utility income tax expense can reasonably be considered to be extraordinary by the Commission, and thus eligible for deferral treatment. The last changes to federal tax law of a comparable magnitude to the TCJA, including adjustment of corporate income tax rates, occurred in 1986, over 31 years ago. The TCJA changes are also material, and as they result from U.S. congressional action the new tax changes were outside the control of Spire Missouri and the other Missouri utilities. For these reasons, Staff asserts that TCJA revenue requirement impacts for Laclede and MGE should be considered for deferral treatment.

As applied to the income tax expense impacts associated with the TCJA, the deferral mechanism would work in the following manner. Each month starting in January 2018, Laclede and MGE would make two separate calculations of accrued income tax expense, one using the tax rates and rules in effect prior to January 1, 2018, and the other using the new TCJA rates and rules effective January 1, 2018. The difference in the calculated amount of income tax under the

two scenarios would be deferred to the utilities' balance sheet as a regulatory liability,² and preserved for consideration in the utilities' next general rate proceeding. In that manner, an opportunity will exist for ratepayers to be made "whole" over time for a reduction in income tax expense since immediate reflection in rates of the reduced income tax expense is not possible.

Deferral is the best option at the current time for consideration of TCJA impacts on LAC and MGE in the specific circumstances of their current rate proceedings. That is because it will take some time to appropriately quantify the ongoing rate impact of the TCJA regarding the impact of new tax rules and the necessary flow back of "excess" deferred income taxes, among other matters. It is reasonable to assume that it may take at least several months for the utilities, Staff, and other interested parties, to develop informed opinions as to a reasonably accurate quantification of the rate impact of the TCJA. In the context of the LAC and MGE rate proceedings now in their last stages, in Staff's view there is not sufficient time to reflect an estimate of the rate impact of the TCJA in the current rate case that would be consistent with normal standards of ratemaking accuracy.³ For this reason, in lieu of ordering an immediate lowering of LAC's and MGE's revenue requirement in this case, Staff recommends that the reduction in income tax expense associated with the TCJA be deferred by Commission order.

One advantage of the deferral option for handling TCJA revenue requirement impacts in the short-term is that it allows for ongoing modifications to the quantifications of the impacts as more information becomes available regarding the provisions of the TCJA. While deferrals will be booked by LAC and MGE starting in January 2018 under Staff's recommended approach, the deferrals booked throughout the course of 2018 are subject to change up to and to the point that

² It is highly unlikely that the impact of the TCJA on any major Missouri utility would be to increase its cost of service on an overall basis.

³ While passage of the TCJA is certainly a "known" event, in Staff's view the financial impact of the TCJA is not reasonably "measurable" at this time.

the companies' books are closed for fiscal year/calendar year 2018. Accordingly, at a later point in time at which the TCJA financial impacts might be reflected in customer rates, a more accurate and reliable quantification of those impacts will be available.

One perceived disadvantage of the deferral option for TCJA impacts is the possibility that utilities will book the deferrals in lieu of changing customer rates until such time as they choose to file, or are statutorily required to file, a general rate case, which may be years later.⁴ If this occurs, utility customers would be denied any tangible benefits from the change in the tax law for an extended period of time. For natural gas utilities, this possibility could be even more objectionable when taking into account the ability of natural gas utilities to periodically file for single-issue rate increases under the Infrastructure System Replacement Surcharge (ISRS) mechanism. LAC, MGE and other Missouri utilities will have an opportunity to voluntarily file tariffs to reflect TCJA revenue requirement impacts in customer rates once an accurate quantification of those impacts is possible. If its recommendation for a deferral of TCJA impacts in these cases is adopted by the Commission, Staff encourages Spire Missouri to consider such action.

Staff is aware of other public utility commissions that have or intend to order deferral accounting treatment of TCJA revenue requirement impacts on a short-term basis. One such public utility commission is the Kansas Corporation Commission (KCC). Attachment B to this filing is a copy of a KCC Order in Docket No. 18-GIMX-248-GIV issued on January 18, 2018, entitled "*Order Opening General Investigation and Issuing Accounting Authority Order Regarding Federal Tax Reform.*"

⁴ The Commission has traditionally reserved all ratemaking findings concerning costs it authorized be deferred in AAO cases to a subsequent general rate proceeding.

In its January 22, 2018, filing, LAC and MGE take the position that any rate action taken by the Commission to reflect TCJA impacts in the current rate cases should be “netted” against certain revenue requirement increases associated with property taxes and other items that LAC and MGE assert have already or will incur after September 30, 2017. Staff opposes any reflection of these items in either an adjustment to include TCJA impacts in the current rate cases or in any TCJA deferral that may be authorized by the Commission. The other revenue requirement changes sought by LAC and MGE pertain to normal, ongoing elements of utility cost of service, and are not in any way comparable to an extraordinary event such as passage of the TCJA.

In the event that the Commission would order reflection in rates of a quantification of the lowered federal corporate tax rate in the current LAC and MGE rate cases, Staff recommends that LAC and MGE still be ordered to defer all other revenue requirement impacts that may be associated with passage of the TCJA.

Finally, the positions taken by Staff in this case on TCJA impacts at this time apply only to LAC and MGE, specifically taking into account the very late stage of its current rate cases. Staff intends to present any general position it may take regarding TCJA ratemaking on February 15, 2018, in its report due that date in Case No. AW-2018-0174. This will allow Staff to review the filings scheduled to be made by all major utilities and other interested observers concerning the TCJA on January 31, 2018.

-- *Mark L. Oligschlaeger*

**THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS**

Before Commissioners: Shari Feist Albrecht, Chair
 Jay Scott Emler
 Pat Apple

In the Matter of a General Investigation)
Regarding the Effect of Federal Income)
Tax Reform on the Revenue)
Requirements of Kansas Public Utilities) Docket No. 18-GIMX-248-GIV
and Request to Issue an Accounting)
Authority Order Requiring Certain)
Regulated Public Utilities to Defer)
Effects of Tax Reform to a Deferred)
Revenue Account.)

**ORDER OPENING GENERAL INVESTIGATION AND ISSUING
ACCOUNTING AUTHORITY ORDER REGARDING FEDERAL TAX REFORM**

This matter comes before the State Corporation Commission of the State of Kansas (Commission) for consideration and decision. Having reviewed the files and records, and being duly advised in the premises, the Commission finds the following:

1. On December 14, 2017, Commission Utilities Staff (Staff) filed a Motion to Open a General Investigation and Issue Accounting Authority Order Regarding Federal Tax Reform (Motion).¹ Staff attached its Report and Recommendation (R&R) to its Motion. In its R&R, Staff recommended the Commission issue an Order:

a. Opening a general investigation for the purposes of examining the financial impact of anticipated federal income tax reform on regulated electric, natural gas, water, and telecommunications public utilities operating in Kansas;²

¹ Staff's Motion to Open a General Investigation and Issue Accounting Authority Order Regarding Federal Tax Reform (Dec. 14, 2017) (Staff's Motion).

² Staff's R&R p. 5.

b. Requiring, through the use of an Accounting Authority Order (AAO), certain regulated public utilities that are taxed at the corporate level to track and accumulate in a deferred revenue account, with interest compounded monthly at the most current Commission-approved customer deposit interest rate, the reduction in their regulated cost of service that would occur in the event that a new lower federal income tax rate is signed into law. These deferrals should take effect at the same time as the new federal corporate tax rate change and the calculations should be performed using the cost of service data that was used to set the utilities' last Commission-approved revenue requirement (including any line-item surcharges that contain a provision for regulated income tax expense) or Kansas Universal Service Fund (KUSF) determination; and³

c. Confirming that the Commission's intention regarding the AAO is to preserve any potential tax benefits so that they may be evaluated in the context of a comprehensive evaluation of the reasonableness of the utilities' rates or KUSF distributions as well as notifying affected public utilities that this portion of their rates or KUSF distributions should be considered interim subject to refund until the Commission has an opportunity to review the reasonableness of the utilities' rates or KUSF distributions on a comprehensive and case-by-case basis. Lastly, the Commission should confirm that it intends to capture the reduction in Accumulated Deferred Income Tax (ADIT) balances that will occur in the event that a lower corporate federal income tax rate takes effect, over time, in a manner that comports with Internal Revenue Services (IRS) Tax Normalization Rules.⁴

³ *Id.* at pp. 5-6.

⁴ *Id.* at p. 6.

2. On December 22, 2017, the Citizens Utility Ratepayer Board (CURB) filed a Petition to Intervene and a Response in Support of Staff's Motion to Open a General Investigation and Issue Authority Order Regarding Federal Tax Reform and Report Recommendation.

3. On January 2, 2018, a group⁵ of rural telephone companies (RLECs) filed a response to the motions of Staff and CURB.⁶ The RLECs requested the Commission not issue a substantive order which would impose preemptive restrictions on prospective cost savings, nor issue an initial order predetermining any aspect of regulatory treatment of such savings.⁷ The RLECs recommended the Commission establish a procedural schedule permitting affected utilities to be heard on the probable extent of any savings to individual carriers, on the recoverable costs and public benefits to which such savings could be applied as they are realized, on affected utilities' opportunities to recover the new administrative costs resulting from the proposed proceedings, and on a reasonable and lawful administrative process to determine how any presumed tax cost savings should benefit ratepayers and the public generally.⁸

4. On January 9, 2018, Staff filed a response to the RLECs.⁹ Staff argued the Commission should deny the RLECs' request for hearing and instead issue an AAO as soon as practicable so that potential tax benefits may be captured for ratepayers.¹⁰ Staff argued the course of action taken by the Commission in 1986 under similar circumstances is not appropriate today because, unlike in 1986, the RLECs receive KUSF support which is based upon previously

⁵ Independent Telecommunications Group, State Independent Alliance, Southern Kansas Telephone Co., Inc. Mutual Telephone Company, Rural Telephone Service Co. Inc. d/b/a Nex-Tech, Wheat State Telephone Company, Inc.

⁶ Response to Motions by Staff and CURB (Jan. 2, 2018).

⁷ *Id.* at p. 6.

⁸ *Id.*

⁹ Staff's Response to Rural Telephone Companies' Response (Jan. 8, 2017).

¹⁰ *Id.* at p. 7.

applicable tax expenses and the Commission is statutorily authorized to periodically review the costs of providing telecommunications service to determine if modifications to the KUSF are necessary.¹¹ Furthermore, Staff contended that the AAO is not an imposition of new rates but rather, an accounting order that requires a company to perform its regulatory accounting in a specific way so that the financial effects of a discrete issue can be examined in a future period.¹²

Jurisdiction

5. The Commission has full power, authority and jurisdiction to supervise and control the public utilities doing business in Kansas, and is empowered to do all things necessary and convenient for the exercise of such power, authority and jurisdiction.¹³ Specifically, the Commission is tasked with ensuring regulated utilities provide sufficient and efficient service at just and reasonable rates.¹⁴ Upon its own initiative, the Commission may investigate all schedules of rates, rules, and regulations for electric public utilities,¹⁵ natural gas public utilities,¹⁶ local exchange carriers,¹⁷ and miscellaneous public utilities.¹⁸ Furthermore, each regulated public utility shall furnish to the Commission in such form and at such times as the Commission requires, such accounts, reports and information shown in itemized detail as the Commission may prescribe.¹⁹ Likewise, the Commission has the authority to examine and audit all accounts, and all items shall be allocated to the accounts prescribed by the Commission.²⁰

¹¹ *Id.* at p. 6.

¹² *Id.* at pp. 4-5.

¹³ K.S.A. 66-101; K.S.A. 66-1,201; K.S.A. 66-1,188; K.S.A. 66-1,231.

¹⁴ K.S.A. 66-101b; K.S.A. 66-1,202; K.S.A. 66-1,189; K.S.A. 66-1,232.

¹⁵ K.S.A. 66-101d.

¹⁶ K.S.A. 66-1,204.

¹⁷ K.S.A. 66-1,192.

¹⁸ K.S.A. 66-1,234.

¹⁹ K.S.A. 66-122.

²⁰ K.S.A. 66-129.

Findings and Conclusions

6. The Commission finds the passage of the federal Tax Cuts and Jobs Act has the potential to significantly reduce the cost of service for many utilities operating in Kansas because the Commission in determining rates generally authorizes recovery of all federal taxes from ratepayers.²¹ The Commission also finds a significant reduction to the corporate tax rate may impact the ADIT Liabilities and Assets on the regulated books of utilities.²² The Commission, therefore, finds further investigation is warranted. The Commission finds its order in the 1986 docket to be informative but not precedential.

7. The Commission finds it should open a general investigation to quantify the economic impacts of the new lower tax rates on Kansas utilities and where appropriate, direct that any cost savings be passed on to Kansas utility consumers and contributors to the KUSF. Therefore, beginning in January 2018, the Commission directs all regulated electric natural gas, water,²³ and telecommunication public utilities²⁴ that are taxable at the corporate level, to accrue monthly, in a deferred revenue account, the portion of its revenue representing the difference between: (1) the cost of service as approved by the Commission in its most recent rate case or KUSF determination proceeding; and (2) the cost of service that would have resulted had the provision for federal income taxes been based upon the corporate income tax rate approved in the Tax Cuts and Jobs Act.²⁵

²¹ Staff's R&R pp. 2-4.

²² *Id.* at p. 5.

²³ For the purpose of this Order electric, natural gas, and water utilities excludes any public utility not rate regulated by the Commission pursuant to K.S.A. 66-104 *et. seq.*

²⁴ For the purpose of this Order telecommunications public utilities only includes local exchange carriers as defined by K.S.A. 66-1,187(h) that currently receive KUSF support.

²⁵ Staff's R&R, p.4.

8. The Commission also gives notice to taxable utilities operating in Kansas that the portion of their regulated revenue stream that reflects higher corporate tax rates should be considered interim and subject to refund, with interest, until the Commission can more fully evaluate on a case-by-case basis the impact of the Tax Cuts and Jobs Acts. When the Commission's case-by-case evaluation is complete, if it is determined that a rate decrease is proper and would have been proper as of the effective date of the Tax Cuts and Jobs Act, any excessive collections in the deferred revenue subaccount, or other appropriate tracking mechanism approved the Commission, with appropriate adjustments, shall be refundable to ratepayers or the KUSF with interest.²⁶ Any balance remaining in the account shall be credited to the utility's operating revenue. Moreover, the Commission intends to capture excess ADIT for the benefit of ratepayers using a methodology that is consistent with the tax normalization requirements specified in the tax legislation or IRS Tax Normalization Rules, as applicable.

9. For the following reasons, the Commission rejects the RLECs' argument that prior to issuing an Order imposing restrictions on a utility's use of specific revenues requiring a specific regulatory process the Commission should afford affected utilities the opportunity to be heard as to how such restrictions and the resulting regulatory process and costs would affect the public interest generally, for good or ill, including consideration of how the potential extraordinary administrative costs of mandated proceedings might be recovered.²⁷

10. First, even if the Commission accepted the RLECs' arguments, the accounting order recommended by Staff does not impose new rates upon affected utilities nor does it restrict or control utility resources. The AAO merely directs utilities to begin tracking their costs

²⁶ Interest shall be calculated at the rate being used for interest paid on customer deposits.

²⁷ Response to Motions by Staff and CURB p. 5.

differently and puts the utilities on notice that the Commission intends in a future proceeding to review rates and KUSF distributions to ensure customers are paying rates that are reflective of the utilities' actual costs. Such action is in keeping with the Commission's statutory authority.²⁸

11. Second, Staff's recommendation does not contravene existing law regarding the RLECs reasonable opportunity to recover all their costs. Any affected utility that believes that other components of their cost of service have more than offset the decrease in its income tax expenses will have the ability to file such information and supporting data with the Commission, to be considered on a case-by-case basis. The Commission's intention here is not to materially impact regulated utilities' profitability, but rather, ensure that the affected utilities are neither positively nor negatively impacted by the passage of federal income tax reform. The Commission finds Staff's recommendation is in keeping with the Commission's statutory obligation to ensure just and reasonable rates²⁹ and an appropriate review of KUSF support.³⁰ Likewise, the Commission finds Staff's recommended approach does not deprive any party of due process but rather protects potential ratepayer benefits from being lost during the pendency of the Commission's investigation. Therefore, the Commission adopts Staff's R&R and incorporates it herein.

12. Parties seeking to participate in this general investigation may file a petition for intervention in accordance with K.A.R. 82-1-225.

²⁸ See, K.S.A. 66-101b; K.S.A. 66-1,202; K.S.A. 66-1,189; K.S.A. 66-1,232; K.S.A. 66-K.S.A. 66-129.

²⁹ K.S.A. 66-101b; K.S.A. 66-1,202; K.S.A. 66-1,189; K.S.A. 66-1,232.

³⁰ K.S.A. 66-2008.

THEREFORE, THE COMMISSION ORDERS:

A. A general investigation is opened for the purposes of examining the financial impact of the federal Tax Cuts and Jobs Act on regulated electric, natural gas, water, and telecommunications public utilities that are operating in Kansas and taxable at the corporate level.

B. Staff's request for the issuance of an Accounting Authority Order, as described herein, is granted.

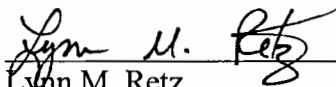
C. The parties have 15 days from the date of electronic service of this Order to petition for reconsideration.³¹

D. The Commission retains jurisdiction over the subject matter and the parties for the purpose of entering such further orders as it may deem necessary and proper.

BY THE COMMISSION IT IS SO ORDERED.

Albrecht, Chair; Emler, Commissioner; Apple, Commissioner

Dated: JAN 18 2018



Lynn M. Retz
Secretary to the Commission

SF

EMAILED

JAN 18 2018

³¹ K.S.A. 66-118b; K.S.A. 77-529(a)(1).

CERTIFICATE OF SERVICE

18-GIMX-248-GIV

I, the undersigned, certify that the true copy of the attached Order has been served to the following parties by means of

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