

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

In the Matter of the Revenue Effects Upon    )  
Small Water and Sewer Utilities of the        )       **File No. AW-2018-0237**  
Tax Cuts and Jobs Act of 2017                )

**HILLCREST’S RESPONSE TO ORDER DIRECTING RESPONSE**

**COMES NOW** Hillcrest Utility Operating Company, Inc. (“Hillcrest” or “Company”),  
and, as its Response to Order Directing Response, respectfully states as follows to the Missouri  
Public Service Commission (“Commission”):

1.     On March 7, 2018, the Commission issued its *Order Opening a Working Proceeding Regarding the Effects Upon Missouri Small Water and Sewer Utilities of the Tax Cuts of 2017 and Directing a Response* (“Order Directing Response”). Among other things, the Order Directing Response directed small utilities to respond to four questions by March 22, 2018. The Company responds to those questions as follows:

**Question - 01:** For purposes of payment of income taxes, the Company is a C Corporation.

**Question - 02:** The Company currently collects income tax expense in customer rates (estimated to be \$7,149 annually).

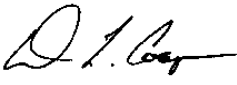
**Question - 03:** The Company has not yet performed, or caused to be performed, an analysis of the possible impact of the Tax Cuts and Jobs Act of 2017 on our cost of service and customer rates.

**Question - 04:** Generally speaking, any decisions regarding a potential change in customer rates would likely be made only after the impact (if any) was known, or once it could be calculated with an appropriate measure of confidence.

**WHEREFORE**, Hillcrest respectfully requests that the Commission consider this response to comply with the Order Directing Response.

Respectfully submitted,

BRYDON, SWEARENGEN & ENGLAND P.C.

By:   
Dean L. Cooper #36592  
312 East Capitol Avenue  
P.O. Box 456  
Jefferson City, MO 65102  
Telephone: (573) 635-7166  
E-mail: dcooper@brydonlaw.com

ATTORNEYS FOR HILLCREST  
UTILITY OPERATING COMPANY, INC.

**CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been transmitted by electronic mail to the following on this 22<sup>nd</sup> day of March, 2018:

Office of the General Counsel  
[staffcounservice@psc.mo.gov](mailto:staffcounservice@psc.mo.gov)

Office of the Public Counsel  
[opcservice@ded.mo.gov](mailto:opcservice@ded.mo.gov)

  
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