

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE INVESTIGATION) CASE NO. GNR-U-18-01
INTO THE IMPACT OF FEDERAL TAX)
CODE REVISIONS ON UTILITY COSTS AND) NOTICE OF SETTLEMENT
RATEMAKING) STIPULATION (IDAHO POWER
) COMPANY)
)
) NOTICE OF MODIFIED
) PROCEDURE
)
) ORDER NO. 34039

On April 12, 2018, Idaho Power Company filed a Settlement Stipulation and Motion to Approve Settlement Stipulation. The Company, Commission Staff, and the Industrial Customers of Idaho Power signed the Settlement Stipulation to enable Idaho Power to provide its customers with approximately \$33.9 million in benefits under a new tax law that decreased the Company's corporate tax rate and expenses.

With this Order, the Commission provides notice of the Settlement Stipulation and notice that the matter will be processed by Modified Procedure, with deadlines to submit comments about the Settlement Stipulation as set below.

BACKGROUND

The federal Tax Cuts and Jobs Act of 2017 decreased the federal corporate tax rate from 35% to 21%, effective January 1, 2018. In response, the Commission opened this multi-utility case to investigate whether to adjust the rates of certain utilities that benefit from the reduced tax rate can flow through to customers. *See* Order No. 33965. The Commission directed all affected utilities—including Idaho Power Company—to immediately account for the tax benefits as a regulatory liability, and to report on how the tax changes affected them, and how resulting benefits could be passed on to customers. *See id.* at 1-2. Idaho Power filed its report on March 30, 2018.

With this Order, the Commission provides notice of the Settlement Stipulation and notice that the matter will be processed by Modified Procedure, with deadlines to submit comments about the Settlement Stipulation as set below.

NOTICE OF SETTLEMENT STIPULATION

YOU ARE HEREBY NOTIFIED that the Settlement Stipulation, including attachments, is 72 pages long. It is available for public review as described below. Major components are summarized in the following paragraphs.

YOU ARE FURTHER NOTIFIED that the Settlement Stipulation, if approved, would directly *decrease* customer rates by about \$26.5 million from June 1, 2018 through May 31, 2019. This direct rate reduction consists of: (1) an \$18.7 million base-rate decrease passed to customers through a uniform percentage decrease to all base-rate components except the service charge; and (2) a \$7.8 million decrease through a rate credit from the Revenue Sharing component of the Company's Power Cost Adjustment (PCA) mechanism.¹ The \$18.7 million base-rate decrease would continue until the Company's base rates change through a future general rate case or other proceeding. The initial, \$7.8 million PCA credit would continue from June 1, 2018 through May 31, 2019. The credit would then decrease to about \$2.7 million on June 1, 2019, and reach \$0 on June 1, 2020. *See* Settlement Stipulation at 6-8.

YOU ARE FURTHER NOTIFIED that, besides directly decreasing customers' rates, the Settlement Stipulation also would provide a non-cash annual benefit of about \$7.4 million that would offset certain deferred costs that customers would otherwise have to pay through rates. *See* Settlement Stipulation at 8-9.

YOU ARE FURTHER NOTIFIED that the Settlement Stipulation would also modify the Company's ADITC/Revenue Sharing mechanism and extend it beyond the current termination date of December 31, 2019, with the modified terms to take effect starting January 1, 2020. *See* Settlement Stipulation at 10-13.

YOU ARE FURTHER NOTIFIED that, because some of the stipulated benefits would pass to customers through the PCA, which is proposed to take effect on June 1, 2018, the Parties have requested that the Commission process the Settlement Stipulation by Modified Procedure in time for an approving Order to issue by that date.

¹ Order Nos. 30978, 32424, and 33149 established the Accumulated Deferred Income Tax Credit (ADITC)/Revenue Sharing component that enables Idaho Power to either (1) amortize additional ADITC, or (2) share a portion of its revenues with customers through a credit on their bills when the Company's return on equity exceeds a certain level. The current ADITC/Revenue sharing mechanism would expire on December 31, 2019, absent this Settlement Stipulation as noted below.

YOU ARE FURTHER NOTIFIED that this docket, the Settlement Stipulation, and any supporting workpapers, testimony, and exhibits are available for public inspection during regular business hours at the Commission offices. They also may be viewed on the Commission's website at www.puc.idaho.gov by clicking on "File Room" and then "Multi-Utility Cases" and going to the case number referenced in the above caption.

YOU ARE FURTHER NOTIFIED that the Commission is not bound by the Parties' agreement as reflected in the Settlement Stipulation. The Commission will independently review the Settlement Stipulation consistent with Commission Rules 271-280, IDAPA 31.01.01.271-280, to decide whether to approve or reject it, or state conditions under which to accept it. The proposed settlement's proponents ultimately bear the burden to prove that it is just, fair, and reasonable, in the public interest, or otherwise in accordance with law or regulatory policy.

NOTICE OF MODIFIED PROCEDURE

YOU ARE FURTHER NOTIFIED that the Commission has determined that the public interest may not require a formal hearing in this matter and will proceed under Modified Procedure pursuant to Rules 201 through 204 of the Idaho Public Utilities Commission's Rules of Procedure, IDAPA 31.01.01.201-204. The Commission notes that Modified Procedure and written comments have proven to be an effective means for obtaining public input and participation.

YOU ARE FURTHER NOTIFIED that the Parties, and any person desiring to state a position on this Settlement Stipulation, may file a written comment about the Settlement Stipulation with the Commission **no later than May 14, 2018**. The comment must contain a statement of reasons supporting the comment. Persons desiring a hearing must specifically request a hearing in their written comments. Written comments concerning this Settlement Stipulation may be mailed to the Commission and Idaho Power at the following addresses reflected below:

Commission Secretary	Lisa Nordstrom
Idaho Public Utilities Commission	Tim Tatum
PO Box 83720	Idaho Power Company
Boise, ID 83720-0074	1221 West Idaho St. (83702)
	PO Box 70
Street Address for Express Mail:	Boise, ID 83707-0070
	E-mail: lnordstrom@idahopower.com
472 W. Washington Street	dockets@idahopower.com
Boise, ID 83702-5918	ttatum@idahopower.com

These comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission's home page at www.puc.idaho.gov. Click the "Case Comment or Question Form" under the "Consumers" tab, and complete the form using the case number on the front of this document. These comments must also be sent to the Company at the e-mail addresses listed above.

YOU ARE FURTHER NOTIFIED that the Parties may file reply comments **no later than May 21, 2018**.

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the time limit set, the Commission will consider this matter on its merits and enter its Order without a formal hearing. If written comments are received within the time limit set, the Commission will consider them and, in its discretion, may set the same for formal hearing.

YOU ARE FURTHER NOTIFIED that all proceedings in this case will be conducted pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code, and the Commission may enter any final Order consistent with its authority under Title 61.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000, *et seq.*

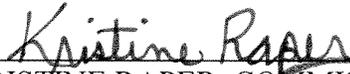
ORDER

IT IS HEREBY ORDERED that the Settlement Stipulation be processed under Modified Procedure, Rules 201-204 (IDAPA 31.01.01.201-.204). The Parties and any interested persons shall have until May 14, 2018 to file written comments. The Parties shall have until May 21, 2018 to file reply comments, if any.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 23rd
day of April 2018.



PAUL KJELLANDER, PRESIDENT



KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Diane M. Hanian
Commission Secretary

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