



*Case No: GNR-U-18-01*

*Order No. 34070*

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## **Tax cuts lead to rate decrease for Avista customers**

**BOISE (June 15, 2018)** – The Idaho Public Utilities Commission has approved a rate decrease for Avista customers, reflecting the benefits of federal and state tax cuts.

The overall rate reduction is \$13.7 million for electric customers and \$2.6 million for natural gas customers. It took effect June 1.

For the average electric customer using 910 kilowatt-hours per month, that equates to a decrease of \$4.85 on the monthly bill, taking it from \$93.34 to \$88.49.

The average natural gas customer using 63 therms per month will see a bill reduction of \$2.24, taking it from \$50.55 to \$48.31.

The decreases are tied to the Tax Cuts and Jobs Act of 2017 that took effect Jan. 1, which reduced the federal corporate tax rate from 35 percent to 21 percent.

A tax decrease at the state level also played a role. In March, Idaho Governor C.L. “Butch” Otter signed into law House Bill 463, reducing the state’s corporate tax rate from 7.4 percent to 6.925 percent.

Since a utility’s tax expenses are a factor in determining customer rates, the Commission opened an investigation in January aimed at determining whether rates and charges of regulated utilities should be adjusted to reflect the new tax code.

The first step in the investigation was to order all regulated utilities to file a report by March 30 that identified and quantified the impacts of the tax changes, and to include proposed rate changes that reflect those impacts.

After filing its report, Avista began working with Commission staff and interested parties - Clearwater Paper Corporation, Idaho Forest Group LLC and Idaho Conservation League - to determine how to pass the tax benefits on to customers.

The Commission approved a settlement agreement that emerged from those efforts on May 31. It reduces electric rates by 5.3 percent and natural gas rates by 6.1 percent, and took effect June 1.

The Commission's order also calls for a temporary tax benefit of \$11.98 million to offset costs associated with the accelerated depreciation of two units at the Colstrip coal-fired plant in Montana, pending Commission approval in a separate case, and for a temporary tax benefit reduction of \$544,000 to be reflected in the Purchased Gas Adjustment effective Nov. 1, 2018.

To review the [Commission's order](#), the [settlement agreement](#) or other documents filed in this case, including those of other regulated utilities, go [here](#). Or go to [www.puc.idaho.gov](http://www.puc.idaho.gov) and click on "Open Cases" under the "Multi-Utility" heading and click on GNR-U-18-01.