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IDAHO PUBLIC
UTILITIES COMMISSION

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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE)	CASE NO.	GNR-U-18-01
INVESTIGATION INTO THE IMPACT)		
OF FEDERAL TAX CODE REVISIONS)	MOTION FOR APPROVAL OF	
ON UTILITY COSTS AND)	STIPULATION AND USE OF	
RATEMAKING)	MODIFIED PROCEDURE	

COMES NOW the Commission Staff, Avista Corporation, Clearwater Paper Corporation ("Clearwater"), Idaho Forest Group, LLC ("Idaho Forest Group") and Idaho Conservation League ("ICL") (hereinafter the "Parties"), as signatories to the Settlement Stipulation ("Stipulation") and respectfully request that the Commission accept the attached Stipulation. These Parties represent all who have intervened in the Avista portion of this case. The Parties assert the Stipulation is reasonable and is in the public interest.

BACKGROUND

1. On December 22, 2017, the Tax Cuts and Jobs Act of 2017 ("TCJA") was signed into law. A main feature of the TCJA reduced the federal corporate tax rate from 35% to 21%, effective January 1, 2018. This significant tax rate reduction materially decreases the current and deferred tax expense currently included in customers' rates.

2. In addition, as a result of the TCJA, Generally Accepted Accounting Principles required Avista to recalculate accumulated deferred federal income tax (ADFIT) assets and liabilities, as of the date of the enactment (December 2017), to reflect the 21% tax rate, significantly reducing net deferred tax liabilities. This recalculation resulted in excess ADFIT assets and liabilities, producing both long-term tax benefits (plant excess ADFIT) and temporary net tax benefits (non-plant excess ADFIT).

3. On January 17, 2018, the Commission issued a Notice of Investigation in Order No. 33965, directing all rate-regulated utilities (besides small water companies with less than 200 customers, and the small electric utility, Atlanta Power) to: (1) immediately account for the financial benefits from the January 1, 2018 tax rate reduction to 21 percent as a deferred regulatory liability, and (2) by Friday, March 30, 2018, file a report with the Commission identifying and quantifying all tax changes individually.

4. Order No. 33965 also specified that each report must disclose the federal income tax components for the year 2017, and the federal income tax components if the utility had been subject to 2017 Tax Act's revisions to the tax code, including the 21 percent tax rate. Each utility's report must include proposed tariff schedules that show the revenue requirement impacts from the 2017 Tax Act, with the differences between the law in effect on December 31, 2017, and the law in effect on and after January 1, 2018. Utilities that operate in Idaho and in other

states must separately calculate system-wide and Idaho-specific figures to show how the 2017 Tax Act impacts total operations and Idaho operations.

5. As required by Order No. 33965, Avista identified and quantified the federal income tax benefits as a result of the 2017 Tax Act in a report filed in this docket on March 28, 2018.

6. Petitions to intervene in this proceeding were filed by Clearwater, Idaho Forest Group, and Idaho Conservation League. The Commission granted these interventions through IPUC Order Nos. 34010, 34023 and 34024.

7. A settlement conference was noticed and held in the Commission offices on April 16, 2018, and was attended by the Parties to this case, resulting in an agreed-upon Stipulation resolving all issues in this case. The stipulating Parties submit that the terms of the Stipulation are just and reasonable and in the public interest.

8. The Parties recommend that the Commission grant this Motion and approve the Stipulation in its entirety, without material change or condition, pursuant to RP 274. The Company requests that the matter be processed under the Commission's Modified Procedure rules through the use of written comments.

PRAYER

The Parties to the Stipulation respectfully request that the Commission grant this Motion and accept the Stipulation in its entirety. Consistent with the Commission Rules 274 through 276, the Parties stand ready to support the Stipulation, doing so by means of written comments filed on or before May 11, 2018.

DATED this 30th day of April, 2018.

AVISTA CORPORATION

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Peter Richardson / Greg Adams
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Attorney for Idaho Forest Group, LLC

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By: _____
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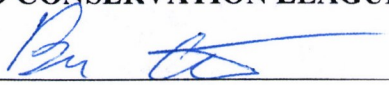
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