

## DECISION MEMORANDUM

**TO:** COMMISSIONER KJELLANDER  
COMMISSIONER RAPER  
COMMISSIONER ANDERSON  
COMMISSION SECRETARY  
COMMISSION STAFF

**FROM:** KARL T. KLEIN  
DEPUTY ATTORNEY GENERAL

**DATE:** FEBRUARY 15, 2018

**SUBJECT:** IN THE MATTER OF THE INVESTIGATION INTO THE IMPACT OF  
FEDERAL TAX CODE REVISIONS ON UTILITY COSTS AND  
RATEMAKING – CASE NO. GNR-U-18-01.

Staff expects to engage in settlement negotiations with some utilities that are parties to this multi-utility case. Staff wants to ensure all interested persons and utilities can participate in any negotiations that interest them. Staff thus recommends the Commission order that interested parties and utilities file one of the following two documents with the Commission as soon as practical, and no later than March 6, 2018. First, interested persons must file a *Petition to Intervene* with the Commission that names each rate-regulated utility in whose negotiations the person wants an opportunity to participate. Second, rate-regulated utilities (besides small water companies with less than 200 customers, and Atlanta Power) must file a *Request for Settlement Notification* that names each other rate-regulated utility in whose negotiations they want an opportunity to participate.

### 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 case to investigate whether to adjust utilities' rates so the benefits from the reduced tax rate flow through to customers. This multi-utility case involves all rate-regulated utilities in Idaho, except for small water companies with less than 200 customers, and the small electric utility, Atlanta Power. *See* Order No. 33965.

In its order, the Commission directed all affected utilities to immediately account for the tax benefits as a regulatory liability. The utilities are to file a report on the effect of the tax changes, and proposed tariffs, by March 30, 2018. *See id.* at 1-2 (detailing what a utility's filing

must include). The Commission's Staff then has 60 days to use reasonable efforts to audit the utilities and report the audit results to the Commission. *Id.* at 2. If the Staff disagrees with the proposed tariffs, the Commission would order the utility to show cause why Staff's recommended changes should not be made. *Id.*

As of February 15, 2018, two utilities have filed the Commission-ordered reports, and one entity, the Industrial Customers of Idaho Power (ICIP), has petitioned to intervene.

### STAFF RECOMMENDATION

This case involves every rate-regulated utility in the state (except small water companies and Atlanta Power). These utilities provide different types of service to different customers in different areas. Staff expects not all customers and utilities will want to participate in Staff's settlement negotiations with other rate-regulated utilities.<sup>1</sup> To ensure Staff knows what parties to notify about settlement negotiations between Staff and a particular utility, and to help process this multi-utility case more efficiently, Staff recommends the Commission issue an order setting the following procedure: First, interested persons must file a *Petition to Intervene* with the Commission that names each rate-regulated utility in whose negotiations the person wants an opportunity to participate. Second, rate-regulated utilities (besides small water companies with less than 200 customers, and Atlanta Power) must file a *Request for Settlement Notification* that names each other rate-regulated utility in whose negotiations they want an opportunity to participate. Staff recommends the Commission direct these petitions and notices be filed as soon as practical, no later than Tuesday, March 6, 2018.

### COMMISSION DECISION

Does the Commission wish to issue an order that directs persons to file a *Petition to Intervene*, and rate-regulated utilities to file a *Request for Settlement Notification*, as soon as practical, and no later than Tuesday, March 6, 2018, as described above?



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Karl T. Klein  
Deputy Attorney General

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<sup>1</sup> For example, ICIP, the sole intervenor to date, has waived service of all process including pleadings, documents and any other papers in this matter that are not relevant to the Idaho Power Company in an effort to "limit service upon the ICIP to just those pleadings that impact . . . Idaho Power's electric rates and cost of service." *See* Notice of Waiver of Service.