

DECISION MEMORANDUM

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

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

DATE: APRIL 13, 2018

**SUBJECT: PROPOSED SETTLEMENT REGARDING IDAHO POWER COMPANY
IN THE COMMISSION'S INVESTIGATION INTO THE IMPACT OF
FEDERAL TAX CODE REVISIONS ON UTILITY COSTS AND
RATEMAKING – CASE NO. GNR-U-18-01.**

On April 12, 2018, Idaho Power Company filed a Settlement Stipulation and Motion to Approve Settlement Stipulation (the Stipulation). The Stipulation is signed by the Company, Commission Staff, and the Industrial Customers of Idaho Power (the only intervenor who expressed interest in participating in the Idaho Power settlement, as required by Order No. 33991). If approved, the Stipulation would provide a total customer benefit of \$33,915,408 from June 1, 2018 through May 31, 2019, consisting of \$26,497,560 in decreased rates and a \$7,417,848 offset to current and future regulatory deferrals. The customer benefits result from the U.S. Tax Cuts and Jobs Act, and would provide some form of direct rate reduction until the Company's next general rate case proceeding or until otherwise modified by the Commission. The Stipulation would also extend the Accumulated Deferred Income Tax Credit ("ADITC")/Revenue Sharing mechanism.¹

Some of the stipulated benefits would pass to customers through the Power Cost Adjustment, which is proposed to take effect on June 1, 2018. Accordingly, the parties ask the Commission to process the Stipulation by Modified Procedure in time for an approving order to issue by that date. Staff suggests a 21-day comment period and 7-day reply period would suffice.

¹ Order Nos. 30978, 32424, and 33149 established an ADITC/Revenue Sharing mechanism that authorizes Idaho Power to amortize ADITC when earning below a certain Return on Equity ("ROE") threshold or share a portion of revenues with Idaho customers when earnings are above a certain ROE threshold.

COMMISSION DECISION

Does the Commission wish to issue a Notice of Proposed Settlement and Notice of Modified Procedure setting a 21-day comment period and 7-day reply period relating to the Idaho Power Stipulation?



Karl T. Klein
Deputy Attorney General

I:\Legal\MULTI-UTILITY\GNR-U-18-01\Memos\GNRU1801_kk5.docx