



Case No: GNR-U-18-01

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Avista proposes rate decreases tied to Tax Cuts and Jobs Act of 2017

BOISE (May 14, 2018) – Avista Utilities has requested approval from the Idaho Public Utilities Commission to lower rates for electric and natural gas service to reflect the benefits of the Tax Cuts and Jobs Act of 2017.

The [company's proposal](#) calls for an overall rate reduction of \$13.7 million for electric customers and \$2.6 million for natural gas customers.

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 would see a bill reduction of \$2.24.

A main feature of the tax law that took effect Jan. 1 is to reduce the federal corporate tax rate from 35 percent to 21 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.

Avista filed its report March 29 and then began working with Commission staff and interested parties to determine how to pass the tax benefits on to customers. A tentative settlement agreement was submitted for Commission approval on May 1.

The rate reductions outlined in the tentative agreement would take effect June 1, reducing electric rates by 5.3 percent and natural gas rates by 6.1 percent.

The proposed agreement 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.

The following parties signed on to the proposed settlement: Avista, Commission staff, Clearwater Paper Corporation, Idaho Forest Group LLC and Idaho Conservation League.

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

Comments related to this case can be submitted [here](#), or via the Commission’s web site, www.puc.idaho.gov. Click on “Case Comment Form” under the “Consumers” heading. Please include the case number, GNR-U-18-01. Comments can also be submitted via mail to PO Box 83720, Boise, ID 83720-0074 or via fax to (208) 334-3762.