



Case No: GNR-U-18-01

Contact: Matt Evans

(208) 334-0339

(208) 520-4763

www.puc.idaho.gov

Idaho Power proposes rate decrease related to new tax law

BOISE (May 14, 2018) – Idaho Power Company has requested approval from the Idaho Public Utilities Commission to lower rates in order to reflect the benefits of the Tax Cuts and Jobs Act of 2017.

On April 12, the utility and interested parties agreed to a proposed settlement that would send to customers approximately \$33.9 million in benefits resulting from the new federal tax law.

[The 72-page settlement proposal](#) calls for a direct rate decrease of approximately \$26.5 million to take effect June 1.

If approved in full by the Commission, the proposed settlement would lead to a decrease of \$2.15 on the monthly bill of the typical residential customer using 950 kilowatt-hours per month.

The proposed settlement is the result of a Commission order in January that directed 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.

A main feature of the tax law was 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 should be adjusted in order to reflect the new tax code.

The company's analysis indicates system-wide savings of approximately \$31.1 million, about half of which are deferred benefits.

After submitting its report, the utility began working with Commission staff and the Industrial Customers of Idaho Power to determine how the tax benefits should be provided to customers.

The tentative settlement agreement calls for an \$18.7 million decrease to base rates and a \$7.8 million decrease via a rate credit from the company's Power Cost Adjustment mechanism that is adjusted annually on June 1.

The proposed settlement calls for the base-rate decrease to continue until base rates change through a general rate case or other proceeding.

The rate credit through the PCA would continue until May 31, 2019, when it would decrease to a credit of approximately \$2.7 million through May 31, 2020.

The proposed settlement also calls for a benefit of approximately \$7.4 million that would offset deferred costs that customers would otherwise pay through rates.

The Commission could accept, reject or modify the proposed settlement.

The proposed settlement and all other documents submitted in this case, by all regulated utilities, can be found [here](#), or via the Commission's web site, www.puc.idaho.gov. Click on "File Room" and then "Multi-Utility Cases." This case is the only one listed in that category.

[Go here](#) to comment on this case, or go to www.puc.idaho.gov and 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.