



Case No: GNR-U-18-01

Order No. 34074

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Suez Water Idaho Inc. rates decline due to new tax law

BOISE (June 15, 2018) – State regulators have approved a rate decrease for customers of Suez Water Idaho Inc. that reflects the benefits of federal and state tax cuts.

The Idaho Public Utilities Commission’s decision reduces rates by about 5.6 percent.

The change took effect June 1 and is the result of a Commission decision in January that ordered all utilities to report the impact of the tax law.

A main feature of the tax law that took effect Jan. 1 was to reduce the federal corporate tax rate from 35 percent to 21 percent. Soon after the federal law took effect, Idaho Governor C.L. “Butch” Otter signed into law House Bill 463, reducing the state’s corporate tax rate from 7.4 percent to 6.925 percent.

Since a utility’s tax expenses are a factor in determining customer rates, the Commission directed all regulated utilities in the state with more than 200 customers to report the financial benefits of the law and how it planned to pass those benefits along to customers.

In its report filed in late March, Suez proposed addressing the impact of the new laws in a future general rate case, noting that it had hired an outside consultant to determine the consequences of the tax law on factors other than the income tax rate, such as deferred liabilities.

Commission staff proposed an immediate rate reduction of \$2,722,791, and the utility agreed.

In its order, the Commission directed Suez to file an update to its deferred tax accounts upon the conclusion of the consultant’s review, and to work with Commission staff to determine any remaining benefits of the tax law.

To review the [Commission's decision](#) and 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.