

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE INVESTIGATION) CASE NO. GNR-U-18-01
INTO THE IMPACT OF FEDERAL TAX)
CODE REVISIONS ON UTILITY COSTS AND) NOTICE OF SETTLEMENT
RATEMAKING) STIPULATION
) (INTERMOUNTAIN GAS)
)
) NOTICE OF MODIFIED
) PROCEDURE
)
) ORDER NO. 34063

On May 10, 2018, Intermountain Gas Company (the “Company”) filed a Stipulation and Settlement (“Settlement Stipulation”) and a Motion to Approve settlement Stipulation and Request for Modified Procedure. The Settlement Stipulation is signed by the Company, Commission Staff, and intervenor Alliance of Western Energy Consumers and, if approved, would return to customers 100% of the tax benefits the Company realizes under new tax law that decreased the Company’s corporate tax rate and expenses.

With this Order, the Commission provides notice of the Settlement Stipulation and that the matter will be processed by Modified Procedure, with deadlines to submit comments about the Settlement Stipulation as set below.

BACKGROUND

The federal Tax Cuts and Jobs Act of 2017 (the “Tax Reform Act”) decreased the federal corporate tax rate from 35% to 21%, effective January 1, 2018. In response, the Commission opened this multi-utility case to investigate whether to adjust the rates of certain utilities so that the benefits from the reduced tax rate can flow through to customers. *See* Order No. 33965. The Commission directed all affected utilities—including the Company—to immediately account for the tax benefits as a regulatory liability, and to report on how the tax changes affected them, and how resulting benefits could be passed on to customers. *See id.* at 1-2. The Company filed its report, which the Company styled as an application, on March 23, 2018.

NOTICE OF SETTLEMENT STIPULATION

YOU ARE HEREBY NOTIFIED that the Settlement Stipulation is available for public review as described below. The Settlement Stipulation, if approved, would return to customers the tax benefits the Company has realized under the Tax Reform Act. In summary, the Settlement Stipulation provides for: (1) a \$5,111,303 decrease to the Company's Revenue Requirement, which represents the benefit to the Company's customers caused by revisions to the federal and state tax codes; and (2) a corresponding deferred liability on the Company's books, which would be returned to the Company's customers as a credit through the Company's next Purchased Gas Cost Adjustment later this year. The parties have asked the Commission to process the Settlement Stipulation by Modified Procedure in time for an order to issue by June 1, 2018.

YOU ARE FURTHER NOTIFIED that this docket, the Settlement Stipulation, and any supporting workpapers, testimony, and exhibits are available for public inspection during regular business hours at the Commission offices. They also may be viewed on the Commission's website at www.puc.idaho.gov by clicking on "File Room" and then "Multi-Utility Cases" and going to the case number referenced in the above caption.

YOU ARE FURTHER NOTIFIED that the Commission is not bound by the parties' agreement as reflected in the Settlement Stipulation. The Commission will independently review the Settlement Stipulation consistent with Commission Rules 271-280, IDAPA 31.01.01.271-280, to decide whether to approve or reject it, or state conditions under which to accept it. The proposed settlement's proponents ultimately bear the burden to prove that it is just, fair, and reasonable, in the public interest, or otherwise in accordance with law or regulatory policy.

NOTICE OF MODIFIED PROCEDURE

YOU ARE FURTHER NOTIFIED that the Commission has determined that the public interest may not require a formal hearing in this matter, and will proceed under Modified Procedure pursuant to Rules 201 through 204 of the Idaho Public Utilities Commission's Rules of Procedure, IDAPA 31.01.01.201-204. The Commission notes that Modified Procedure and written comments have proven to be an effective means for obtaining public input and participation.

YOU ARE FURTHER NOTIFIED that the parties, and any person desiring to state a position on this Settlement Stipulation, may file a written comment about the Settlement Stipulation with the Commission **no later than May 22, 2018**. The comment must contain a statement of reasons supporting the comment. Persons desiring a hearing must specifically request

a hearing in their written comments. Written comments concerning this Settlement Stipulation may be mailed to the Commission and the Company at the addresses reflected below:

Commission Secretary
Idaho Public Utilities Commission
PO Box 83720
Boise, ID 83720-0074

Preston N. Carter
Givens Pursley LLP
601 W. Bannock St.
Boise, ID 83702
e-mail: prestoncarter@givenspursley.com

Street Address for Express Mail:

472 W. Washington Street
Boise, ID 83702-5918

Michael P. McGrath
Director – Regulatory Affairs
Intermountain Gas Company
PO Box 7608
Boise, ID 83707

These comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission's home page at www.puc.idaho.gov. Click the "Case Comment or Question Form" under the "Consumers" tab, and complete the form using the case number on the front of this document. These comments must also be sent to the Company at the e-mail addresses listed above.

YOU ARE FURTHER NOTIFIED that the parties may file reply comments **no later than May 24, 2018**.

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the time limit set, the Commission will consider this matter on its merits and enter its Order without a formal hearing. If written comments are received within the time limit set, the Commission will consider them and, in its discretion, may set the same for formal hearing.

YOU ARE FURTHER NOTIFIED that all proceedings in this case will be conducted pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code, and the Commission may enter any final Order consistent with its authority under Title 61.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000, *et seq.*

ORDER

IT IS HEREBY ORDERED that the Settlement Stipulation be processed under Modified Procedure, Rules 201-204 (IDAPA 31.01.01.201-.204). The parties and any interested persons

shall have until May 22, 2018 to file written comments. The parties shall have until May 24, 2018 to file reply comments, if any.

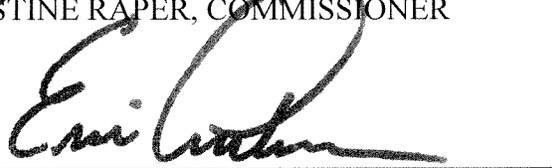
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 15th day of May 2018.



PAUL KJELLANDER, PRESIDENT



KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Diane M. Hanian
Commission Secretary
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