

RMP 2014 GRC Filing Requirements

R746-700-20.C.7

Taxes: Forecasting methods, calculations and key assumptions used to adjust historical tax information to projected costs and results will be provided on a tax item basis (i.e., income, FICA, property taxes, etc).

Response to R746-700-20.C.7

Please refer to the Direct testimony of Steven R. McDougal and Exhibit RMP__ (SRM-3).

- Income taxes are reported on a fully normalized basis, with the single exception of AFUDC equity which is reported on a flow-through basis. Historical data is adjusted to the forecasted test year. The Company forecasts all permanent book-tax differences. Permanent book-tax differences impact total tax expense, but typically do not impact rate base. The Company forecasts certain temporary book-tax differences that comprise a significant percentage of the total. Temporary book-tax differences do not impact total tax expense, but do impact rate base. Detailed models of the income tax calculations are provided for the test period.
- FICA taxes, please refer to Adjustment no. 4.2
- Property taxes, please refer to Adjustment no. 7.2

Also see attached file: 2014 Utah General Rate Case (INCOME TAX).xlsx