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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

Investigation of Revenue Requirement
Impacts of the New Federal Tax Legislation
Titled: "An act to provide for reconciliation
pursuant to titles II and V of the concurrent
resolution of the budget for fiscal year 2018"

Docket No. 17-035-69

Docket No. 17-057-26

**MOTION FOR ORDERS FOR
DEFERRED ACCOUNTING
TREATMENT OF BENEFITS
ASSOCIATED WITH 2018 TAX
RECONCILIATION ACT**

Pursuant to Utah Code Ann. §§ 54-4-1 and §54-4-23, the Utah Association of Energy Users ("UAE") files this Motion for Orders for Deferred Accounting Treatment of Benefits Associated with U.S. Tax Reconciliation Act ("Motion"). UAE moves for orders from the Utah Public Service Commission ("Commission") requiring Rocky Mountain Power ("RMP") and Dominion Energy Utah ("DEU") to defer for later ratemaking treatment all revenue requirement savings or benefits received or realized by RMP or DEU as a result of recent tax legislation, commencing on January 1, 2018, and ending upon the date that new rates take effect following future ratemaking proceedings.

In support of this Application, UAE alleges and represents as follows:

Factual Background

1. PacifiCorp, doing business in Utah as Rocky Mountain Power, is a Utah public utility subject to the jurisdiction of this Commission.
2. Dominion Energy Utah is a Utah public utility subject to the jurisdiction of this Commission.
3. UAE is an organization comprised principally of large Utah energy consumers who are customers of RMP and DEU.
4. On or about December 22, 2017, an Act to provide for Reconciliation Pursuant to Titles II and V of the Concurrent Resolution on the Budget for Fiscal Year 2018 (“2018 Tax Reconciliation Act”) was enacted into law.
5. On information and belief, UAE alleges that the 2018 Tax Reconciliation Act will have significant impacts on the revenue requirement of both RMP and DEU, in a manner that is dramatic, unforeseeable and extraordinary.
6. In an Order issued on December 21, 2017, the Commission opened these dockets, among others, along with a Notice of Comment Period requiring RMP and DEU to file comments describing the impacts on revenue requirement of the 2018 Tax Reconciliation Act.
7. The revenue requirement impacts of the 2018 Tax Reconciliation Act are not incorporated into current utility rates in Utah. On information and belief UAE alleges that, absent entry of deferred accounting orders as requested herein, starting January 1, 2018, RMP and DEU will begin to receive windfall profits that were unanticipated at the time rates were set by the Commission, with resulting rates to customers that are not just or reasonable.

8. To ensure that Utah RMP and DEU customers are not required to pay unjust or unreasonable rates for service, it is necessary that the financial benefits of the 2018 Tax Reconciliation Act be accounted for as a deferred regulatory liability and that the rates charged be subject to refund and adjustment as may be necessary.

Legal Principles

9. The rule against retroactive ratemaking generally precludes the ratemaking process from being influenced by actual revenues that deviate from rate case estimates due to “missteps made in the ratemaking process,” *Utah Department of Business Regulation v. Utah Public Service Commission*, 720 P.2d 420 (Utah 1986). However, exceptions to this rule are recognized in Utah for, among other things, unforeseeable and extraordinary changes in revenue or expenses. *MCI Telecommunications Corporation v. Utah Public Service Commission*, 840 P.2d 765, 771-772 (Utah 1992); Report and Order, Utah PSC Dockets 06-035-163, 07-035-04, 07-035-14, at 15 (January 3, 2008). The expected impacts of the 2018 Tax Reconciliation Act are dramatic, unforeseeable and extraordinary, and thus satisfy this exception

10. The Commission has the authority to prescribe the accounts and accounting practices for Utah public utilities, including RMP and DEU.

11. In order to ensure just and reasonable rates for Utah ratepayers, UAE submits that deferred accounting orders should be issued to require RMP and DEU to begin deferring for future ratemaking treatment all revenue requirement benefits of the 2018 Tax Reconciliation Act from January 1, 2018, until the effective date of new rates in future ratemaking proceedings.

12. In requesting deferred accounting orders, UAE is not requesting at this time final ratemaking determinations as to the amount or ratemaking treatment of the benefits of the 2018

Tax Reconciliation Act, but rather accounting orders designed to ensure that such benefits can be properly and fully considered and dealt with in future ratemaking proceedings.

Notices

Notices to UAE in this proceeding should be sent to the following:

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Request for Relief

UAE respectfully asks the Commission to:

1. Enter deferred accounting orders pursuant to Utah Code Ann. §54-4-23 ordering and directing each of RMP and DEU to defer as a regulatory liability all revenue requirement benefits of the 2018 Tax Reconciliation Act beginning on January 1, 2018, and continuing until the effective date of new rates for each such utility set in proper future ratemaking proceeding; and

2. Grant such other and further relief as the Commission may determine to be appropriate.

DATED this 2nd day of January, 2018.

HATCH, JAMES & DODGE

A handwritten signature in blue ink, appearing to read "Gary A. Dodge", with a long horizontal stroke extending to the right.

/s/ _____
Gary A. Dodge
Attorneys for UAE

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by email this 2nd day of January, 2018, on the following:

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/s/ _____