



GARY HERBERT  
*Governor*

SPENCER J. COX  
*Lieutenant Governor*

State of Utah  
Department of Commerce  
Division of Public Utilities

FRANCINE GIANI  
*Executive Director*

CHRIS PARKER  
*Director, Division of Public Utilities*

## COMMENTS

**To:** Utah Public Service Commission

**From:** Utah Division of Public Utilities

Chris Parker, Director

Artie Powell, Energy Section Manager

Lane Mecham, Utility Analyst

Bob Davis, Utility Analyst

**Date:** May 8, 2018

**Re:** **Approval, Docket No. 17-035-69** - 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."

### RECOMMENDATION (Approve Tariff Sheets)

The Division of Public Utilities ("Division") has reviewed Rocky Mountain Power's ("Company") tariff filing on May 4, 2018. The Division concludes the filing conforms to the Utah Public Service Commission's ("Commission") Order issued on April 17, 2018, and recommends the Commission approve the tariff sheets.

### ISSUE

On April 27, 2018, the Commission approved an ongoing annual rate reduction of \$61 million allocated to retail customers, and Special Contracts 1 and 2, effective May 1, 2018. The 2018 portion will be refunded over the remaining eight months of 2018. The Commission also ordered the Company to modify, and file its proposed Schedule 197 tariff within one week of the Order, which is the proposed schedule for refunding tax savings.

On May 4, 2018, the Company filed its revised Schedule 197 tariff and supporting worksheets

with the Commission. On that same day, the Commission issued an action request to the Division requesting a review for compliance and to make recommendations.

### **DISCUSSION**

The Division has reviewed the Company's filing for compliance to the Commission's April 27, 2018, Order, as well as applicable administrative rules. The Company provided the Division with a preliminary version (RMP Exhibit A – Rate Spread) ahead of its May 4th filing for review. The Division analyzed the rate spread, calculations, and overall compliance with the order. The Division concludes that the worksheets spread the tax benefit accurately and reflect the Commission's orders.

On May 4, 2018, the Company filed its revised Schedule 197 tariff and updated worksheets. The Division reviewed the calculations, spread, and compliance with the Commission's Order. The Company calculated a refund of \$61 million for the remainder of 2018, as well as the ongoing rates for 2019, and thereafter. Both were allocated to the rate schedules based on the rate base cost of service factor from the most recent general rate case.

The Commission ordered that Schedules 21 and 31 have the same treatment as Schedule 9. Special Contract customers will be credited at a rate equal to the overall percentage decrease of 4.7 percent. The Division confirms that both of these requirements are met in the revised tariff filing.

The Company's filing conforms to Rule R746-405. The Company states that the proposed tariff sheets do not constitute a violation of state law or Commission rule and all appropriate updates have been made.

### **CONCLUSION**

The Division has reviewed the Company's filing and is satisfied that it complies with the Commission's May 4, 2018, Order. The Division recommends the Commission approve the Company's tariff filing effective May 1, 2018.

CC: Jana Saba, RMP  
Michele Beck, OCS  
Service List