

August 2, 2018

***VIA ELECTRONIC FILING
AND OVERNIGHT DELIVERY***

Utah Public Service Commission
Heber M. Wells Building, 4th Floor
160 East 300 South
Salt Lake City, UT 84114

Attention: Gary Widerburg
Commission Secretary

RE: 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”**
Update to Filing

On July 10, 2018, Rocky Mountain Power (“Company”) submitted its direct testimony supporting the final report on the revenue requirement impacts and proposed ratemaking treatment associated with the recent federal income tax legislation in accordance with the Scheduling Order, Notice of Technical Conference, and Notice of Hearing issued by the Public Service Commission of Utah on June 25, 2018.

Table 3 on page 9 of the direct testimony of Company witness Mr. Steven R. McDougal provided a summary of the Excess Deferred Income Taxes (“EDIT”) for both total Company and Utah-allocated amounts. The Company revised the amounts classified as protected and non-protected after its July 10, 2018 filing, as summarized in the table below. The total amount of excess deferred income taxes has not changed.

Excess Deferred Income Taxes						
Item	As Filed		Revised		Difference	
	Total Company	Utah	Total Company	Utah	Total Company	Utah
Property: Protected	(1,331,532,033)	(596,036,197)	(1,312,561,005)	(612,362,139)	18,971,028	(16,325,942)
Property: Non-Protected	(259,302,219)	(121,260,259)	(278,273,247)	(104,934,317)	(18,971,028)	16,325,942
Non-Property	(46,534,291)	(22,560,698)	(46,534,291)	(22,560,698)	0	0
Total	(1,637,368,543)	(739,857,154)	(1,637,368,543)	(739,857,154)	0	0

The quantification and classification of excess deferred income taxes associated with accumulated deferred income taxes maintained in the Company’s tax fixed asset system, PowerTax, is made out-of-system and the change in classification resulted from refinements to that analysis. In support of the Company’s calculation, confidential workpapers are included with this filing. Consistent with the update, the Company also submits an updated replacement page 9 of Mr. McDougal’s direct testimony. As shown in the redline version provided with this filing, the only change to the page is an update to Table 3 to reflect the revised EDIT figures.

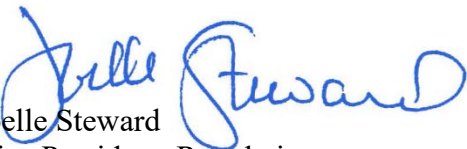
Rocky Mountain Power respectfully requests that all formal correspondence and requests for additional information regarding this filing be addressed to the following:

By E-mail (preferred): datarequest@pacificorp.com
 Jana.saba@pacificorp.com
 utahdockets@pacificorp.com

By regular mail: Data Request Response Center
 PacifiCorp
 825 NE Multnomah, Suite 2000
 Portland, OR 97232

Informal inquiries may be directed to Jana Saba at (801) 220-2823.

Sincerely,



Joelle Steward
Vice President, Regulation

Enclosure

Cc: Service List Docket No. 17-035-69

Direct Testimony of Mr. Steven R. McDougal

Updated Replacement Page

Redline

Utah. The Company is proposing a five-year amortization of this balance beginning with the effective date of rates established in the next general rate case. A summary of all three groups of EDIT for both total Company and Utah-allocated amounts is provided in Table 3 below:

TABLE 3

Excess Deferred Income Tax Balance as of December 31, 2017		
\$ Thousands	Total Company	Utah
Property Related		
Protected	\$ 1,312,561 331	\$ 612,362 596,03
Non-Protected	<u>278,273259,30</u>	<u>104,934121,26</u>
Non-Property Related	46,534	22,561
TOTAL	\$ 1,637,368	\$ 739,857

PROPOSAL FOR RECOVERY OF OFFSETS TO THE DEFERRAL

Q. How does the Company propose to request offsets to the tax deferral?

A. The Company proposes a two-step process by which it could request offsets to the deferred account. First, the Company would apply for approval to establish a deferral in an appropriate docket. For example, the Company would request approval of incremental depreciation expense associated with the depreciation study within the depreciation study approval docket. Once the Commission approves the Company's request to establish a deferral, the Company would then file a request in this docket to offset the deferral with the tax change regulatory liability. An estimated deferral balance beginning 2018 through 2020 is provided as SRM-2.

Direct Testimony of Mr. Steven R. McDougal

Updated Replacement Page

Clean

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CERTIFICATE OF SERVICE

I hereby certify that on August 2, 2018, a true and correct copy of the foregoing was served by electronic mail and overnight delivery to the following:

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