

Estimated 2018 Federal Tax Impact Deferral - Current Tax Impact
State of Utah
\$ - Thousands

Line No.	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
1							Carrying Charge Rate		
2			Deferral			Less Refund	1		
							4.19%		
							4.09%		
3		<u>Beginning Balance</u>	<u>Current Tax</u>	<u>Offset</u>	<u>Total Deferred</u>	<u>Refund</u>	<u>Carrying Charge</u>	<u>Ending Balance</u>	<u>Ref</u>
4	Jan-18	\$ -	\$ 5,491	\$ -	\$ 5,491	\$ -	\$ 10	\$ 5,500	
5	Feb-18	5,500	5,491	-	5,491	-	29	11,020	
6	Mar-18	11,020	5,491	-	5,491	-	48	16,559	
7	Apr-18	16,559	5,491	-	5,491	-	66	22,116	
8	May-18	22,116	5,491	-	5,491	(7,625)	72	20,053	(2)
9	Jun-18	20,053	5,491	-	5,491	(7,625)	65	17,984	
10	Jul-18	17,984	5,491	-	5,491	(7,625)	58	15,907	
11	Aug-18	15,907	5,491	-	5,491	(7,625)	51	13,824	
12	Sep-18	13,824	5,491	-	5,491	(7,625)	43	11,733	
13	Oct-18	11,733	5,491	-	5,491	(7,625)	36	9,635	
14	Nov-18	9,635	5,491	-	5,491	(7,625)	29	7,531	
15	Dec-18	7,531	5,491	-	5,491	(7,625)	22	5,418	
16	Total		\$ 65,890	\$ -	\$ 65,890	\$ (61,000)	\$ 528	\$ 5,418	
17							Annual Amort. of Dec. 2018 ending balance (3 Yr.)	\$ 1,806	

Notes:

- (1) Beginning April 1, 2018, the carrying charge rate decreased from 4.19% to 4.09% per Docket No. 18-035-T01.
- (2) Currently, tariff schedule 197 is refunding \$61.0m effective May 1, 2018 per the Commission's April 27, 2018 order.

**Summary of UAE Recommended Tax Reform Utah Revenue Reductions
and Estimated Associated Cash Impacts**

Line No.	(a)	(b)	(c)
1	UAE Recommended Reductions	Revenue Impact	~ Cash Impact for FFO¹
2	Current Revenue Reduction	(\$61,000,000)	(\$45,756,031)
3	Additional Reduction for Current Tax Impact	(\$4,890,414)	(\$3,668,294)
4	Annual Amortization of 2018 Deferral (3 Years)	(\$1,806,137)	(\$1,354,781)
5	1/2 ARAM Annual Amortization (Property EDIT)	(\$13,206,509)	(\$9,906,188)
6	Annual Amortization Non-Prop. EDIT (5 Years) ²	(\$5,822,043)	(\$4,367,108)
7	Total Utah Customer Credit	(\$86,725,103)	(\$65,052,402)

Notes:

1. Based on RMP's 3rd Supplemental Response to DPU 1.2, Footnote 1, these cash impacts are calculated assuming that revenue reductions proportionately reduce current taxes.

2. Based on UT non-property EDIT of \$22.6M, amortized over 5 years. UAE Credit Metrics Estimate is not adjusted for this cash impact, based on RMP's assertion that this amortization is already included in the base case. See RMP's 3rd Supplemental Response to DPU 1.2.

Utah Association of Energy Users (UAE)
Utah Results of Operations - December 2017
Non-Property EDIT Amortization Adjustment

	<u>ACCOUNT</u>	<u>TOTAL COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>UTAH ALLOCATED</u>
Adjustment to Tax:					
Add Annual Amortization	41110	(4,512,140)	UT	100.000%	(4,512,140)
Change to ADIT Balance (Average)	282	2,256,070	UT	100.000%	2,256,070

Description of Adjustment:

This adjustment provides an annual amortization of the non-property EDIT based on a five-year amortization period. The accumulated deferred income tax balance is also reduced by one-half the amortization amount, consistent with the approach used in RMP's ARAM Adjustment 9.5.