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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. 17-052-02  REPLY COMMENTS OF SOUTH CENTRAL UTAH TELEPHONE ASSOCIATION, INC.
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On December 21, 2017, the Utah Public Service Commission (the “Commission”) issued a Notice of Comment Period (“Notice”) to investigate the revenue requirement impacts of the new federal tax legislation (“Tax Reform Act”). The Commission requested that all regulated utilities in Utah file Comments describing in detail, to the extent practical, the impacts of Tax Reform Act on their respective revenue requirement in the corresponding docket. South Central Utah Telephone Association, Inc. (“South Central”) filed Comments on February 26, 2018. Pursuant to the Commission’s Order issued March 1, 2018, interested parties were ordered to submit comments on South Central’s Comments on or before March 30, 2018. Reply Comments are due April 16, 2018. The Division of Public Utilities (the “Division”) filed responsive Comments on March 30, 2018. South Central hereby files these Reply Comments.

**REPLY COMMENTS OF SOUTH CENTRAL**

The Tax Reform Act, signed into law on or about December 22, 2017, reduced the corporate federal income taxes from a maximum of 35% to 21%. However, as indicated in South Central’s initial Comments, South Central is a non-profit corporation. As such it does not pay federal income tax and its revenue requirement will not be affected by changes in the corporate income tax rates. Although the

Division's Comments identified South Central as one of the "non-profits" who indicated its revenue requirement will not be affected by changes in the Tax Reform Act, the Division did not explicitly discuss the "non-profits" group and did not affirm that such non-profits' revenue requirement will not be affected by reductions in the corporate tax rate contained Tax Reform Act.

While South Central's revenue requirement may be affected by the statutory and administrative rule changes, the Tax Reform Act's change in corporate tax rate will not affect South Central. South Central will not receive any tax benefit and will not be subject to any normalization method of accounting to amortized "excess deferred income taxes."

DATED this 16<sup>th</sup> day of April, 2018.

BLACKBURN & STOLL, LC



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Kira M. Slawson  
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Association, Inc.

## CERTIFICATE OF SERVICE

I hereby certify that on the 16<sup>th</sup> day of April, 2018, I served a true and correct copy of South Central Utah Telephone Association, Inc.'s Reply Comments on 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. 17-052-02 via e-mail transmission to following persons at the e-mail addresses listed below:

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Chris Parker

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