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IDAHO PUBLIC
UTILITIES COMMISSION

March 28, 2018

Ms. Diane Hanian
Commission Secretary
Idaho Public Utilities Commission
472 W . Washington Street
Boise, ID 83720-0074

**Re: In the Matter of the Investigation into the Impact of Federal Tax Code Revisions on Utility Costs and Ratemaking**
**Case No. GNR-U-18-01 Order No. 33965**

Dear Ms. Hanian:

On January 16, 2018, the Idaho Public Utility Commission (the "Commission") directed in its Order in PUC Case No. GNR-U-18-01 ("Generic Tax Order") a requirements for utilities under its jurisdiction related to the impacts of modifications to the Internal Revenue Tax Code by the implementation of The Tax Cuts and Jobs Act of 2017 ("TCJA"). In compliance with the requirements set forth in that Order, please accept the following letter as the report of SUEZ Water Idaho Inc. ("SWID" or the "Company").

## Background

On December 22, 2017, the President signed into law the Tax Cuts and Jobs Act which substantially modifies the Internal Revenue Tax Code ("IRC") effective January 1, 2018. At a minimum, the passage of the TCJA was highly partisan and, according to many projections will add substantially to the Federal deficit over time. SUEZ believes therefore that it is likely that in the near future, other substantive changes could again be made to the IRC which could additionally impact SWID. As a result, due to the ongoing level of uncertainty, the Company's proposed ratemaking treatments in this response are made with an eye to future changes.

As currently in place, and as related to SWID, the modification having the greatest direct impact is the immediate reduction of the corporate income tax rate from 35% to 21% ("The FIT rate"). This change reduces both current and deferred Federal Income Tax Expense for the Company and reduces the amount of Accumulated Deferred Income Tax ("ADIT") required to be recognized on the Company's balance sheet. In addition, the TCJA eliminated the exemption for water and sewer utilities from recognizing Contributions in Aid of Construction ("CIAC") as taxable income.

## Single Issue Ratemaking

SWID believes that this proceeding constitutes single-issue ratemaking. With any such proceeding which considers a limited issue, due care should be taken such that any resulting change in rates fully considers the issue and does not impact other issues more appropriately determined in a full rate case. The impacts of the TCJA are well defined, the date of change certain, and the ability to calculate the impact based upon the actual financial information for 2017 sufficiently clear that almost all of the impacts of the TCJA can be determined and resolved outside of a base rate case.

## Accounting issues

The application of provisions of the TCJA are complex. An example of the recognition of this complexity is Securities and Exchange Commission 17 CFR Part 211 [Release No. SAB 118] Staff Accounting Bulletin No. 118, which is applicable to publicly traded companies under the jurisdiction of the SEC, allows corrections up to one year from the date of implementation stating: "The measurement period begins in the reporting period that includes the Act's enactment date and ends when an entity has obtained, prepared, and analyzed the information that was needed in order to complete the accounting requirements under ASC Topic 740. During the measurement period, the staff expects that entities will be acting in good faith to complete the accounting under ASC Topic 740. The staff believes that in no circumstances should the measurement period extend beyond one year from the enactment date."

Currently, the Company is continuing to review in detail its income tax records in order to verify the balances of the regulatory liabilities subject to continued normalization ("protected") as well as those that are not ("unprotected") and has engaged an outside accounting firm to assist in that review. The Company anticipates that some change could occur to the approximated amortization period, protected vs. unprotected amounts as well as possible changes in the regulatory liability itself once all analyses are complete and as the 2017 income tax returns are filed. SWID anticipates the 2017 income tax returns will be filed by October 15, 2018.

## The effects of the TCJA on the SWID balance sheet

The effects from the TCJA have been deferred upon the books and records of the Company consistent with Generally Accepted Accounting Principles ("GAAP"), and consistently applied regulatory principles. GAAP requires that the Company reflect the effects of the change in ADIT in the 2017 financial statements resulting from the change in the FIT rate from 35% to 21%. Also, because the Company is rate regulated and subject to the jurisdiction of the Commission, that change in the total balance of ADIT has been reflected as a regulatory liability on the Company's balance sheets as of December, 31, 2017. The effects of the TCJA are neutral to the Company's balance sheet and rate base

SWID has included with this letter Exhibit D showing the transactions and, referencing Exhibit D, the sum of the regulatory liability and post TCJA ADIT is equivalent to the pre-TCJA ADIT. For ratemaking purposes, ADIT is a reduction in the Company's rate base and the resultant regulatory liability would also be considered a reduction to rate base. Therefore, the impact of the TCJA for this entry is neutral to the Company's balance sheets and "per book" rate base as of December 31, 2017.

The change in ADIT related to certain items will change the related tax sensitive item if that tax sensitive item is grossed-up for income taxes. Consequently, the change in ADIT should not be included in the regulatory liability but should change the related tax sensitive item in the same amount. Schedule D adjusts for such items.

**The effects of the TCJA on the SWID income statement**

The immediate change in the Federal Income Tax ("FIT") rate impacts the Company's ongoing income tax expenses beginning January 1, 2018. Consequently, the Company has, and will continue to, calculate the difference in income tax expense at the 35% vs. the 21% rates beginning January 1, 2018 and record this difference to a regulatory liability until such time as the SWID's rates are updated to reflect the reduction in income tax rates. The Company is making this calculation based upon actual monthly results.

**Ratemaking Related to the Established Regulatory Liability**

The regulatory liabilities established (or portion thereof) which were contributed by customers should be returned to customers over an appropriate amortization period. This amortization period for the amount of the regulatory liability which arose from normalized ADIT amounts is considered "protected" and per the IRC, may be amortized no faster than over the period in which the related ADIT would have otherwise reversed. As this amount is amortized, the amortization should result in a decrease in current expenses and an incremental increase in rate base of the amount of the amortization (net of the ongoing income tax impacts). When rates are reset, the Company believes those impacts on rates must be taken into account regardless of the direction of the adjustment.

The amortization period for the amount of the regulatory liability which arose from amounts not considered normalized are "unprotected" and may be amortized over a period different from those protected. We believe that the Commission should consider carefully the appropriate amortization periods for this amount. As noted above, while SWID believes that significant changes could be made to the IRC reversing many of the impacts of the TCJA, it and the Commission must act consistent with their understanding of the IRC at this time, but should consider within that decision, ways to mitigate more radical impacts in the event future adjustments are made. A significant change impacting the level of ADIT required by GAAP and, particularly with the amount of the "unprotected" regulatory liability if amortized inappropriately quickly, could require a later charge to customers or create a further permanent regulatory asset.

As the regulatory liabilities are amortized, the amount of the amortization would decrease customer rates by the amount of such amortization. In addition, the amortizations would also increase rate base as the balance of the regulatory liabilities (a reduction to rate base) is decreased. Consequently, For SWID, for each $1 of continued amortization, the resulting revenue requirement would be offset by approximately $0.10 which is cumulative year over year.

SWID believes the disposition of the amortization of the regulatory liabilities are best addressed in a base rate filing. The decreasing nature of the regulatory liability calls into question the appropriate level of rate base adjustment needed over the period before the next base rate case. In the meantime, SWID believes the regulatory liabilities should be held at their current levels effectively reducing rate base (net of the associated ADIT). To place context around the amounts, the amount of the amortization including the rate base impact is approximately 0.5% of current revenues.

**Contributions in Aid of Construction**

CIAC for both electric and gas utilities have been taxable since the Tax Reform Act of 1986. As a result of the taxability of the contribution, utilities commonly required the contributor to pay for the income tax consequences of the taxability of the contribution so that the utility's customers would not subsidize the contributor. While water and sewer utilities had been exempt from the "taxable CIAC" since 1996, the TCJA eliminated that exemption. The Commission in its Order 21933 in Case No. U-1500-176 entered June 3, 1988 addressed the taxability of CIAC. In that Order, SWID (then Boise Water Company) was allowed to continue a previously authorized methodology (Order No. 20955) whereby individual agreements were entered into with developers and others. This methodology, while making the Company whole, was then and, if re-established, would be administratively burdensome.

The Company has investigated how taxable CIAC has been addressed in other of SUEZ' regulatory jurisdictions and would propose that SWID be authorized to gross-up the CIAC charged to developers at the net present value of cash flows resulting from the taxability of the CIAC and the future deductibility for income tax purposes of the resulting asset. Additionally, the Company would propose that the deferred income tax impact of such a transaction be held outside of the ratemaking process such that water service customers are not impacted. This is essentially the methodology illustrated in Schedules 1 through 3 attached to the aforementioned Commission Order.

The TCJA's elimination of the exemption of water and sewer companies does not impact either SWID's regulatory liability or the ongoing change in total income tax expenses for ratemaking purposes resulting from the TCJA at this time.

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## Exhibits Attached

**Exhibit A -** the calculation of the change in revenue requirement for SWID.

In order to calculate the level of income taxes included in current rates, it is appropriate to look at how income taxes were calculated in the case from which the current rates were derived. In order to make this calculation for SWID, the components needed are the rate of return and components thereof, rate base, the components of the revenue conversion factor, and the State and Federal income tax rates. Unfortunately, except for the State and Federal income tax rates, the remaining information is unknown within the settlement. In Exhibit A, SWID has utilized calendar year 2017 and has calculated pro-forma income taxes at 35% and at the TCJA income tax rate of 21% and has also calculated State income tax expense utilizing the income tax rate recently updated through the passage of H.B 463. The components of the revenue conversion factor as filed in the Company's last rate case are included on page 2 of Exhibit A utilizing the updated income tax rates The calculation indicates that the change in federal income taxes is $2,722,791 or 5.557%.

**Exhibit B -** the proof of rates showing the applicable rates calculated in compliance with the requirements of this provision of the Generic Tax Order.

In Exhibit B, the proof of revenues utilized to prove rates in the Case was utilized to prove recalculated rates to be charged to customers after including the impacts of the TCJA. Utilizing the billing determinates, the current water service rates are reduced uniformly by the percentage calculated and shown on Exhibit A. The calculation does not reduce miscellaneous charges.

As Exhibit B shows the calculation of rates based upon the Company's proposal, the Company respectfully requests a waiver from the requirement to provide proposed tariff schedules. The Company anticipates working closely with Staff to determine the exact rates, timing of implementation, and other issues and will provide tariff schedules once that work is concluded.

**Exhibit C –** the calculation of the regulatory liability and ADIT reflecting the TCJA

Attached as Exhibit C to this letter are the Company's calculations as of December 31, 2017 of the Post TCJA Regulatory liability which is grossed-up and the Post TCJA ADIT which includes the deferred income tax impact of the Regulatory liability gross-up. These amounts reflect SWID's books and records. As discussed above and as shown on Exhibit C, the impact of the entries to the Company's balance sheets are neutral as shown on column c. Exhibit C also shows customer contributed "protected" amounts column (d) and customer contributed "unprotected" amounts are shown in column (e). We believe those customer contributed amounts are susceptible to ratemaking action.

As mentioned above, the Company is continuing to review in detail its income tax records.

Subject to the completion of the above review, the Company currently believes the amortization period utilizing the "alternative method" as allowed by the TCJA is approximately 40 years and is required for the 'protected' portion of the regulatory liability. The Company believes prudence dictates that the unprotected portion of the regulatory liability should be amortized over the same period.

**Conclusion**

SWID appreciates the opportunity to file this letter in response to the Generic tax Order and looks forward to the Comission's continuing process. If the Commission or its Staff have any questions or discovery regarding this filing, the Company anticipates engaging in a full discussion of any of those issues and looks forward to working with Staff to provide the benefits of the TCJA to ratepayers in this complex matter.

Respectfully submitted,

James C. Cagle
Vice President – Rates and Regulatory Affairs

Enclosures

**SUEZ Water Idaho Inc.**
**Calculation of 2017 Federal Income Taxes**



| Line No. | Description (a) | Calculation @ 35% (b) | Calculation @ 21% (c) | Difference |
|---|---|---|---|---|
| 1 | Total Total Pre-Tax Book Income | $15,743,979 | $15,743,979 | |
| 2 | Deductible State Tax: [1] | 1,111,712 | 1,040,352 | $71,360 |
| | Permanent Differences: | | | |
| 3 | Reverse FBOS TaxStream included in current state deduction | 204,746 | 204,746 | |
| 4 | Non-deductible Penalties | 245 | 245 | |
| 5 | Disallowed Meals | 6,004 | 6,004 | |
| 6 | Lobbying Dues | 5,295 | 5,295 | |
| 7 | Total Permanent Differences | 216,290 | 216,290 | |
| 8 | Financial Taxable Income | 14,848,557 | 14,919,917 | |
| 9 | **Unit Tax Rate** | 35.00% | 21.00% | |
| 10 | Federal Tax-Current | 5,196,995 | 3,133,183 | 2,063,812 |
| 11 | Total | | | 2,135,172 |
| 12 | Gross Revenue Conversion Factor | | | 1.2752091 |
| 13 | Change in Revenue Requirement | | | $2,722,791 |
| 14 | Revenues as allowed last rate case | | | $48,997,697 |
| 15 | Percent reduction | | | -5.557% |

[1] Please note the State income tax rate of 6.925% was utilized in the calculation as a result of the passage of H.B. 463. The amount in column c represents a reduction of approximately 6.4% and is calculated as the the State income tax on line 2 of column c times 6.925% / 7.4%.

**SUEZ Water Idaho Inc.**
**COMPUTATION OF GROSS REVENUE FACTOR**



| Line No. | Description | Percent Incremental Gross Revenues | Percent Incremental Gross Revenues |
|---|---|---|---|
| 1 | Net Operating Revenues | 1.0000000 | 1.00000 |
| 2 | Less: Uncollectible Accounts Expense | 0.0044060 | 0.00441 |
| 3 | Less: IPUC Assessment Rate | 0.0024810 | 0.00248 |
| 4 | Rate Applicable to O&M Expense & IPUC Assessment | 0.0068870 | 0.0068870 |
| 5 | State Income Tax at 7.4% and at 6.925% | 0.0740000 | 0.00048 |
| 6 | Effective Net State Tax Rate | 0.0734904 | 0.0004736 |
| 7 | Federal Income Tax Residual | 0.0803774 | 0.0073606 |
| 8 | Incremental Federal Income Tax Rate | 0.3500000 | 0.2100000 |
| 9 | Federal Income Tax at 35% and at 21% | 0.3218679 | 0.2084543 |
| 10 | Composite: IPUC Fees, uncollectibles & Income Taxes | 0.4022453 | 0.2158149 |
| 11 | Composite Residual | 0.5977547 | 0.7841851 |
| **12** | **Gross Revenue Conversion Factor** | **1.6729270** | **1.2752091** |
| 13 | State Income Tax Rate | 7.400% | 6.925% |
| 13 | Federal Income Tax Rate | 35.00% | 21.00% |
| | Composite Rate | 39.81000% | 26.47075% |

Exhibit B

# UNITED WATER IDAHO INC.
## APPLICATION OF PRESENT RATES AND PROPOSED RATES TO CONSUMPTION ANALYSIS
## WITH ADJUSTMENTS FOR THE IMPACT OF TCJA
## FOR THE YEAR ENDED DECEMBER 31, 2017

| Rate Block CCF | Number Of Bills | Total Consumption | Present Rate | Present Rate Revenue | Proposed Rate | Proposed Revenue | Percent |
|---|---|---|---|---|---|---|---|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| Residential - Bi-Monthly | | | | | | | |
| Customer Charge | | | | | | | |
| 5/8 | 94,077 | | $ 22.36 | $ 2,103,562 | $ 21.12 | $ 1,986,906 | -5.55% |
| 3/4 | 328,446 | | 22.36 | 7,344,053 | 21.12 | 6,936,780 | -5.55% |
| 1 | 45,397 | | 28.58 | 1,297,446 | 26.99 | 1,225,265 | -5.56% |
| 1 1/2 | 1,455 | | 48.90 | 71,150 | 46.18 | 67,192 | -5.56% |
| 2 | 619 | | 75.87 | 46,964 | 71.65 | 44,351 | -5.56% |
| 3 | 3 | | 147.98 | 444 | 139.76 | 419 | -5.55% |
| Subtotal | 469,997 | 0 | | 10,863,619 | | 10,260,913 | |
| Winter Usage | | | | | | | |
| Up to 3 CCF | | | | | | | |
| Summer Usage | | | | | | | |
| Up to 3 CCF | | 4,729,400 | 1.5738 | 7,443,130 | 1.4863 | 7,029,307 | -5.56% |
| Over 3 CCF | | 7,731,150 | 1.9673 | 15,209,491 | 1.8580 | 14,364,477 | -5.56% |
| Subtotal | | 12,460,550 | | 22,652,621 | | 21,393,784 | |
| Subtotal | | | | 33,516,240 | | 31,654,697 | |
| Flat Rate | 148 | | 85.86 | 12,707 | 81.09 | 12,001 | -5.56% |
| Total Class | | | | $ 33,528,947 | | $ 31,666,698 | |
| Commercial - Bi-Monthly | | | | | | | |
| Customer Charge | | | | | | | |
| 5/8 | 2,852 | | 22.36 | $ 63,771 | 21.12 | $ 60,234 | -5.55% |
| 3/4 | 12,291 | | 22.36 | 274,827 | 21.12 | 259,586 | -5.55% |
| 1 | 15,222 | | 28.58 | 435,045 | 26.99 | 410,842 | -5.56% |
| 1 1/2 | 10,304 | | 48.90 | 503,866 | 46.18 | 475,839 | -5.56% |
| 2 | 11,268 | | 75.87 | 854,903 | 71.65 | 807,352 | -5.56% |
| 3 | 776 | | 147.98 | 114,832 | 139.76 | 108,454 | -5.55% |
| 4 | 229 | | 276.07 | 63,220 | 260.73 | 59,707 | -5.56% |
| 6 | 24 | | 460.91 | 11,062 | 435.30 | 10,447 | -5.56% |
| 8 | 0 | | 602.98 | 0 | 569.47 | 0 | -5.56% |
| Subtotal | 52,966 | 0 | | 2,321,526 | | 2,192,461 | |
| Winter Usage | | | | | | | |
| Over 3 CCF | | | | | | | |
| Summer Usage | | | | | | | |
| Up to 3 CCF | | 2,586,839 | 1.5738 | 4,071,167 | 1.4863 | 3,844,819 | -5.56% |
| Over 3 CCF | | 3,985,866 | 1.9673 | 7,841,394 | 1.8580 | 7,405,739 | -5.56% |
| Subtotal | | 6,572,705 | | 11,912,561 | | 11,250,558 | |
| Total Class | | | | $ 14,234,087 | | $ 13,443,019 | |
| Other Public Authority - Bi-Monthly | | | | | | | |
| Customer Charge | | | | | | | |
| 5/8 | 17 | | 22.36 | $ 380 | 21.12 | $ 359 | -5.55% |
| 3/4 | 46 | | 22.36 | 1,029 | 21.12 | 972 | -5.55% |
| 1 | 184 | | 28.58 | 5,259 | 26.99 | 4,966 | -5.56% |
| 1 1/2 | 107 | | 48.90 | 5,232 | 46.18 | 4,941 | -5.56% |
| 2 | 223 | | 75.87 | 16,919 | 71.65 | 15,978 | -5.56% |
| 3 | 6 | | 147.98 | 888 | 139.76 | 839 | -5.55% |
| 4 | 6 | | 276.07 | 1,656 | 260.73 | 1,564 | -5.56% |
| Subtotal | 589 | 0 | | 31,363 | | 29,619 | |

UNITED WATER IDAHO INC.
APPLICATION OF PRESENT RATES AND PROPOSED RATES TO CONSUMPTION ANALYSIS
WITH ADJUSTMENTS FOR THE IMPACT OF TCJA
FOR THE YEAR ENDED DECEMBER 31, 2017

| Rate Block CCF | Number Of Bills | Total Consumption | Present Rate | Present Rate Revenue | Proposed Rate | Proposed Revenue | Percent |
|---|---|---|---|---|---|---|---|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| Winter Usage | | | | | | | |
| Over 3 CCF | | | | | | | |
| Summer Usage | | | | | | | |
| Up to 3 CCF | | 18,505 | 1.5738 | 29,123 | 1.4863 | 27,504 | -5.56% |
| Over 3 CCF | | 67,215 | 1.9673 | 132,232 | 1.8580 | 124,885 | -5.56% |
| Subtotal | | 85,720 | | 161,355 | | 152,389 | |
| Total Class | | | | $ 192,718 | | $ 182,008 | |
| Private Fire Lines - Bi-Monthly | | | | | | | |
| Fire Line Size | | | | | | | |
| 3" and smaller | 2,637 | | 39.42 | $ 103,951 | 37.23 | $ 98,176 | -5.56% |
| 4" | 3,526 | | 59.75 | 210,679 | 56.43 | 198,972 | -5.56% |
| 6" | 2,994 | | 148.40 | 444,310 | 140.15 | 419,609 | -5.56% |
| 8" | 882 | | 243.85 | 215,076 | 230.30 | 203,125 | -5.56% |
| 10" | 54 | | 380.29 | 20,536 | 359.16 | 19,395 | -5.56% |
| 12" | 36 | | 569.62 | 20,506 | 537.97 | 19,367 | -5.56% |
| Hydrants | 975 | | 23.90 | 23,303 | 22.57 | 22,006 | -5.56% |
| Sprinkler | 6 | | 597.28 | 3,584 | 564.09 | 3,385 | -5.56% |
| Total Private Fire | 11,110 | 0 | | $ 1,041,945 | | $ 984,035 | |
| Total | 534,810 | 19,118,975 | | $ 48,997,697 | | $ 46,275,760 | |
| Variance | | | | | | $ 854 | |
| Total Water Revenue | | | | $ (2,722,791) | | $ 46,274,906 | |
| | | | | | | -5.557% | |

SUEZ Water Idaho Inc. Exhibit C

**SUEZ Water Idaho Inc.**
**Accumulated Deferred Income Tax and Excess Deferred Income Tax Regulatory Liability Balances**
**As of December 31, 2017**

| Line No. | Account (a) | Description (b) | ADIT Balance at 12/31/2017 [c] | Adjustments | Adjusted Balance at 12/31/2017 | Rate Base Related ADIT [d] | Protected @ 21% FIT Rate [e] | Unprotected @ 21% FIT Rate [f] |
|---|---|---|---|---|---|---|---|---|
| 1 | 19010 | Def. Federal Inc Taxes- Other | $36,638 | | $36,638 | | | $0 |
| 2 | 28203 | Def. FIT-MACRS | 10,041,452 | | 10,041,452 | $10,041,452 | $10,041,452 | |
| 3 | 28206 | Def. FIT- OCI Pension/PBOP [1] | (2,195,178) | 2,195,178 | 0 | | | 0 |
| 4 | 28211 | Def. FIT Benefit on DSIT | (382,157) | | (382,157) | (382,157) | (382,157) | |
| 5 | 28300 | Def. FIT-Other | 323,379 | | 323,379 | | | |
| 6 | 28301 | Def. FIT-Tank Painting | 232,709 | | 232,709 | 232,709 | | 232,709 |
| 7 | 28302 | Def. FIT-Rate Expenses | 11,568 | | 11,568 | | | |
| 8 | 28303 | Def. FIT-Deferred Charges | (97,443) | | (97,443) | | | |
| 9 | 28304 | Def. FIT-Relocation Expense | 11,429 | | 11,429 | | | |
| 10 | 28305 | Def. FIT-M_S Fees | (458,444) | | (458,444) | | | |
| 11 | 28306 | Def. FIT-Pensions | 649,113 | | 649,113 | | | |
| 12 | 28307 | Def. FIT-PEBOP | (754,400) | | (754,400) | | | |
| 13 | 28308 | Def. FIT-Cost of Removal | 916,880 | | 916,880 | 916,880 | 916,880 | |
| 14 | 28310 | Def. FIT-Uncollectibles | (108,154) | | (108,154) | | | |
| 15 | 28311 | Def. FIT-Injuries and Damages | (310,942) | | (310,942) | | | |
| 16 | 28312 | Def. FIT - AFUDC Equity | 468,114 | | 468,114 | 468,114 | 468,114 | |
| 17 | 28313 | Def. FIT - AFUDC Equity GU [2] | 426,875 | (426,875) | 0 | | | |
| 18 | 28314 | Def. FIT - AFUDC Equity GU-TRF [2] | 642,034 | (642,034) | 0 | | | |
| 19 | | | | | | | | |
| 20 | | Total Deferred Tax before TCJA impact [3] | 9,453,473 | | 10,579,743 | | | |
| 21 | | | | | | | | |
| 22 | 28405 | Def FIT - New Federal Tax Rate | (3,531,015) | (700,882) | (4,231,897) | (4,510,799) | (4,417,716) | (93,084) |
| | 28406 | Def FIT-New Federal TaxRate GU | (1,271,176) | (252,320) | (1,523,496) | (1,623,901) | (1,590,391) | (33,510) |
| 23 | | **283 Deferred income taxes & ITC** | **$4,651,282** | **($953,202)** | **$4,824,350** | **$5,142,298** | **$5,036,183** | **$106,115** |
| 24 | | | | | | | | |
| 25 | 25316 | Regulatory Liab-Tax New Federal Rate | $4,802,191 | $953,202 | $5,755,393 | $6,134,701 | $6,008,107 | $126,594 |
| 26 | | | | | | | | |
| 27 | | **Total ADIT and Regulatory Liability after TCJA impact (line 26 plus line 29)** | $9,453,473 | | $10,579,743 | | | |
| 28 | | | | | | | | |
| 29 | | **Amortization of the Rate Base Related Regulatory Liability amount utilizing the RSGM (estimated) over 40 years** | | | | $153,368 | | |

**[1] Change in balances is offset by the change in valance of AOCI**
**[2] Change in balance is offset by the change in balance of the associated regulatory asset.**
**[3] Sum of Lines 1 through 22**