



*Case No: GNR-U-18-01*

*Order No. 34073*

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## Intermountain Gas rates decline due to new tax laws

**BOISE (June 15, 2018)** – State regulators have approved a rate decrease for customers of Intermountain Gas Company, to reflect the benefits of federal and state tax cuts.

The decision returns approximately \$5.1 million to customers.

That is a 2.62-percent decrease for residential customers. It took effect June 1.

A main feature of the tax law that took effect Jan. 1 was to reduce the federal corporate tax rate from 35 percent to 21 percent. In March, Idaho Governor C.L. “Butch” Otter signed into law House Bill 463, reducing the state’s corporate tax rate from 7.4 percent to 6.925 percent.

Since a utility’s tax expenses are a factor in determining customer rates, the Commission opened an investigation in January to determine whether the rates and charges of regulated utilities should be adjusted to reflect changes to the tax code.

The first step in the investigation was to order all regulated utilities to file a report by March 30 identifying and quantifying the impacts of the tax changes, and to include proposed rate changes that reflect those impacts.

Intermountain’s report called for reducing customer rates by \$4,966,895, which would have led to a 2.2-percent decrease in usage charges for customers.

The company asked that the rate change take effect April 1, 2018, but the Commission suspended the effective date until Commission staff could determine the reasonableness of the company’s proposal.

A settlement conference was held May 7.

Representatives of the utility, Commission staff and the Alliance of Western Energy Consumers participated in the conference. All agreed to the settlement agreement reached.

Though Intermountain maintains that its proposal was the most appropriate option for calculating the impact of the tax code changes, the utility agreed to the settlement agreement.

The Commission's order calls for a decrease of \$5,111,303 to the company's revenue requirement, in addition to the creation of a deferred liability that would be passed through to customers as a credit on the Purchased Gas Adjustment later this year.

The residential rate that took effect June 1 as a result of that order is 0.57231 cents per therm, down from \$0.5875 per therm.

Intermountain Gas serves approximately 355,000 customers across southern Idaho.

To review the [Commission's decision](#) and other documents in this case, including those of other regulated utilities, go [here](#). Or go to [www.puc.idaho.gov](http://www.puc.idaho.gov) and click on "Open Cases" under the "Multi-Utility" heading and click on GNR-U-18-01.