

**NOTICE OF REQUEST FOR INFORMATION, COMMISSION PLANNING MEETING,
AND SUBSEQUENT COMMENT PERIOD**

Issued: *January 19, 2018*

In the Matter of a Commission Investigation into the Effects on Electric and Natural Gas Utility Rates and Services of the 2017 Federal Tax Act

PUC Docket Number: E, G-999/CI-17-895

Request for Information:

All Rate-Regulated Energy Utilities shall provide by **January 30, 2018** by 4:30pm:

- Preliminary, pro-forma estimates of the effect of the new, lower federal income tax rate and the effect of all other aspects of the 2017 Federal Tax Act on their Minnesota jurisdictional revenue requirements and rates.
- A copy and explanation of any information (including SEC disclosure filings) provided to shareholders and other stakeholders related to the effects of the 2017 Federal Tax Act.

Commission Planning Meeting:

The Commission will hold a planning meeting on **February 6, 2018 at 9:30 am, in the Commission's Small Hearing Room** to hear preliminary information from the rate-regulated energy utilities about the effect of the 2017 Federal Tax Act.

The Commission requests the rate-regulated energy utilities to coordinate amongst themselves and prepare presentations on the following:

- A summary of what is in the 2017 Federal Tax Act with particular attention and focus on the provisions that effect the rate regulated utilities including what elements of the utilities' finances are effected by and include federal income taxes.
- A summary of what is in the Act that specifically or uniquely effects the rate regulated (a) vertically integrated electric utilities, and (b) natural gas distribution utilities.
- A summary of any lessons learned from the implementation of new rates under the Tax Reform Act of 1986.
- A brief overview of the effect of the Act on each rate regulated utilities' Minnesota jurisdictional revenue requirements and rates.

Comment Period: All rate-regulated energy utilities shall provide initial filings by **February 14, 2018** by 4:30pm

Initial comment on the rate regulated energy utilities' initial filings and the topics and questions open for comment listed below are requested by **February 28, 2018** by 4:30pm

Reply comment are requested by **March 15, 2018** by 4:30pm

Comments received after comment period closes may not be considered

All Rate-Regulated Energy Utilities Shall Provide in their Initial Filings:

- An estimate of the effect of the lower federal income tax rate on the utility's Minnesota jurisdictional revenue requirements and rates assuming all else is currently equal to the utility's revenue requirement (a) in its most recent rate case, (b) in its most recent jurisdictional annual report (JAR) for calendar-year 2016, and (c) in its pro forma revenue requirements estimates for calendar-years 2017 and 2018.
- An analysis of any other aspects of the 2017 Federal Tax Act that may affect the utilities including but not limited to any anticipated reduction in accumulated deferred income tax (ADIT) liabilities and assets. This analysis should include an estimate of the effect of these various aspects of the Act on the utility's Minnesota jurisdictional revenue requirements and rates assuming all else is currently equal to the utility's revenue requirement (a) in its most recent rate case, (b) in its most recent jurisdictional annual report (JAR) for calendar-year 2016, and (c) in pro forma revenue requirements estimates for calendar-years 2017 and 2018.
- An explanation of the utilities' proposals to unwind and refund over-collected ADIT.
- An analysis of how any changes in tax law effectuated through the Act will allow the expensing of capital investments and how that will impact rates and, if applicable, what changes does the utility expect to propose in the future regarding the recovery of these investments.
- In addition to the general revenue requirements estimates and calculations, please provide estimates with supporting assumptions and calculations of the effect of the Tax Act on any other rates and riders currently in effect, for example, Transmission Cost Recovery Riders, Renewable Energy Cost Recovery Riders, etc.

Topics Open for Comment:

- The revenue requirements and rates estimates in the initial filings of the regulated utilities
- Should the Commission
 - Issue an order to show cause to all rate regulated utilities why their rates should not be lowered effective January 1, 2018 to reflect the 2017 Federal Tax Act?
 - Start an earning investigation under Minn. Stat. § 216B.17 for all utilities?
 - Require all utilities to start tracking, as of January 1, 2018, all of their revenues and expenses associated with the 2017 Federal Tax Act?
 - Require deferred accounting for any possible changes in ADIT-related assets and liabilities for possible future refund to ratepayers consistent with IRS tax normalization requirements?
 - Require specific procedures that address the effects of the tax act for utilities who have pending rate cases or have been subject to general rate proceedings involving their revenue requirements in the last two to three years? and/or
 - Require other procedures for handling the effects of the tax act?
- Are there any other issues or concerns related to this matter?

Background: On December 22, 2017, the President of the United States signed into law Pub L. 115-97 (H.R. 1—115th Congress: An Act to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018), which is referred to in this Notice as the 2017 Federal Tax Act, or the Act.

The 2017 Federal Tax Act contains a number of provisions that may affect public utility revenue requirements, rates, and services. Among many other provisions, the Act significantly lowers federal corporate tax rates and may affect the buildup and crediting of accumulated deferred income tax liability (ADIT).

On December 29, 2017, the Minnesota Public Utilities Commission (Commission) issued its Notice of Commission Investigation into the Effect of the 2017 Federal Tax Act on Utility Rates and Services.

Filing Requirements: Utilities, telecommunications carriers, official parties, and state agencies are **required** to file documents using the Commission’s electronic filing system (eFiling). All parties, participants and interested persons are encouraged to use eFiling: mn.gov/puc, select *eFiling*, and follow the prompts.

Submit Public Comments: Visit mn.gov/puc, select *Speak Up!* or click [HERE](#) to find this docket, and add your comments to the discussion.

- If you wish to include an exhibit, map or other attachment, please send your comments via U.S. Mail.

Send U.S. Mail to Public Utilities Commission, 121 7th Place East, Suite 350, St. Paul MN 55101. Please include the Commission’s docket number in all communications.

Full Case Record: See all documents filed in this docket via the Commission's website at mn.gov/puc, select *Search eDockets*, enter the year (17) and the docket number (895), select *Search*.

Subscribe to receive email notification when new documents are filed in this docket at mn.gov/puc, select *Subscribe*, or click [HERE](#) and follow the prompts.

Questions about this docket or Commission process and procedure? Contact Commission staff, Jorge Alonso, at jorge.alonso@state.mn.us or 651-201-2258, or Bob Harding, at robert.harding@state.mn.us or 651-201-2237.

Change your mailing preferences: Email docketing.puc@state.mn.us or call Jamie Eschbach at 651-201-2204.

To request this document in another format such as large print or audio, call 651.296.0406 (voice). Persons with a hearing or speech impairment may call using their preferred Telecommunications Relay Service or email consumer.puc@state.mn.us for assistance.

The Commission hearing rooms have wheelchair access. If other reasonable accommodations are needed to enable you to fully participate in a Commission meeting (e.g., sign language or large print materials), please call 651-296-0406 or 1-800-657-3782 at least one week in advance of the meeting. Persons with a hearing or speech impairment may call using their preferred Telecommunications Relay Service or email consumer.puc@state.mn.us for assistance.