

ISSUED: May 4, 2018

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UW 173

In the Matter of

ILLAHE ESTATES WATER SYSTEM,  
LLC,

Request for a General Rate Revision.

RULING

**DISPOSITION: BENCH REQUEST**

On April 26, 2018, Illahe Estates Water System, LLC, and Staff of the Public Utility Commission of Oregon (Staff) filed a stipulation resolving all issues in this case, together with direct testimony by Staff supporting the stipulation. In neither their stipulation nor in Staff's supporting testimony is there any indication as to the federal corporate income tax rate used by the parties to calculate the federal income expense incorporated into their recommended revenue requirement.

This issue arises from the parties' use of a 2017 test year for rates that will go into effect in 2018. The question arises whether the parties used the corporate tax rate applicable in 2017, the lower corporate tax rate effective in 2018, or some other rate.

I direct the parties to identify their calculation of the federal income tax expense allowance in terms of which corporate tax rate was applied, and to provide justification for the use of that rate. If a rate other than the 2018 tax rate was used, I further direct the parties to provide the difference in the tax allowance if the 2018 tax rate were used instead, and to identify whether the use of the 2018 tax rate would result in changes to any other stipulated expenses.

The response is due no later than May 14, 2018.

Dated this 4th day of May, 2018, at Salem, Oregon.



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Patrick J. Power  
Administrative Law Judge