

Legislation Details (With Text)

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File created:	3/22/2018	In control:		CITY COUNCIL	
On agenda:		Final action:			
Title:	Calling on the Pennsylvania Public Utility Commission to investigate how much of utility companies' tax cuts should be passed on to consumers in the form of lower rates.				
Sponsors:	Councilmember Bass, Councilmember Jones, Councilmember Quiñones Sánchez, Councilmember Green, Councilmember Greenlee, Councilmember Henon, Councilmember Johnson, Councilmember Squilla				
Indexes:					
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Attachments:	1. Resolution No. 18027800.pdf, 2. Signature18027800.pdf				

Date	Ver.	Action By	Action	Result	Tally
4/5/2018	0	CITY COUNCIL	ADOPTED		
3/22/2018	0	CITY COUNCIL	Introduced and Ordered Placed On Next Week's Final Passage Calendar	Pass	

Calling on the Pennsylvania Public Utility Commission to investigate how much of utility companies' tax cuts should be passed on to consumers in the form of lower rates.

WHEREAS, The Tax Cuts and Jobs Act of 2017 lowers the corporate income tax rate permanently from 35 to 21 percent; and

WHEREAS, The Penn Wharton Budget Model at the University of Pennsylvania estimated that American utility companies will save \$1 billion this year from tax reform and \$5 billion in the year 2021; and

WHEREAS, In most of the United States, investor-owned utilities have a monopoly on providing and electricity and gas to homes and businesses; and

WHEREAS, State regulators allow utility companies to charge rates high enough to recoup their costs, including the cost of paying taxes, and to provide a return to their shareholders provided that regulators periodically scrutinize rates to ensure they are reasonable; and

WHEREAS, The attorneys general of several states including Massachusetts, Texas, and New York recently wrote a letter to the Federal Energy Regulatory Commission asking for "prompt Commission action to adjust the revenue requirements of public utilities...to reflect the recent reduction in the federal corporate income tax rate as well as any other rate/customer impacts associated with the recently enacted changes in the federal tax laws"; and

WHEREAS, Electric companies in Massachusetts, Illinois, Oregon, and Washington, D.C. have all announced plans to pass their tax cuts on to customers through lower rates; and

WHEREAS, The Pennsylvania Public Utility Commission allows stock holder owned utility companies to pass

federal taxes on to consumers; and

WHEREAS; Unless the Commission adjusts utilities' revenue requirements to reflect their federal corporate income tax reduction, utility customers statewide will be overpaying for their electric and gas service by millions of dollars; now, therefore, be it

RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA, That it hereby calls on the Pennsylvania Public Utility Commission to investigate how much of utility companies' tax cuts should be passed on to consumers in the form of lower rates.