

Congress of the United States

Washington, DC 20515

March 09, 2018

The Honorable Rosemary Chiavetta
Secretary
Pennsylvania Public Utility Commission
400 North Street, 2nd Floor
Harrisburg, PA 17120

Dear Secretary Chiavetta,

As members of the Pennsylvania Delegation, we write to express our support for the Commission's request for public input on the impact of the recently enacted Tax Cuts and Jobs Act. Across the nation, more than 82.3 million customers are already benefiting from utility savings as a result of tax reform in a variety of ways, including rate reductions. Yet the impact of tax reform on Pennsylvanians' utility bills remains uncertain. We believe the Commission must act expeditiously to ensure that, in light of the Tax Cuts and Jobs Act, utility customers receive the full benefits of the companies reduced federal tax rate.

As you know, Pennsylvania is a national leader in energy production. According to the U.S. Energy Information Administration, Pennsylvania ranks third in the nation for total energy production. Despite the Commonwealth's leadership in energy production, Pennsylvanians spends 16 percent more than the average American household for energy consumption. Families in our congressional districts have struggled in recent years to pay their costly utility bills. We believe that we must collectively identify solutions that encourage innovation and help lower energy costs for families.

On December 22, 2018, President Donald Trump signed into law the Tax Cuts and Jobs Act. As you may know, the law decreased the corporate tax rate from 35 percent to 21 percent. This change has resulted in an economic jolt to the U.S. economy and more money in the pockets of hardworking Pennsylvanians to add more jobs to the U.S. economy and reduce costs to American consumers. Since enactment of this tax bill, utility companies in more than 40 states have already shared the benefits of the recent federal corporate tax reduction with their customers, several including rate reductions. As the Commission completes its investigation, we believe the full benefits of this federal tax law have not yet been passed along to Pennsylvania consumers.

Given the substantial change to the corporate tax rate, we believe that the Commission should consider adjusting current utility rates to reflect the most recent changes to the federal tax rate and establish a methodology to see if utility customers should receive a refund for utility prices. We encourage you to expeditiously complete your review of the impact of tax changes on utilities to ensure Pennsylvania consumers receive the full benefits of the Tax Cuts and Jobs Act as quickly as possible. Thank you for your consideration and attention to this important matter.

Sincerely,



Lloyd Smucker
Member of Congress



Bill Shuster
Member of Congress



Mike Kelly
Member of Congress



Patrick Meehan
Member of Congress