

THOMAS R. CALTAGIRONE, MEMBER
127TH DISTRICT
106 IRVIS OFFICE BUILDING
P.O. BOX 202127
HARRISBURG, PENNSYLVANIA 17120-2127
PHONE: (717) 787-3525
FAX: (717) 772-5401



645 PENN STREET, 3RD FLOOR
READING, PENNSYLVANIA 19601
PHONE: (610) 376-1529
FAX: (610) 378-4406

House of Representatives
COMMONWEALTH OF PENNSYLVANIA
HARRISBURG

RECEIVED
DEMOCRATIC CHAIRMAN CONSUMER AFFAIRS
2018 MARCH 6 2018
MAIL: PA House Consumer Affairs
HOME: www.pahouse.com/caltagirone

PA PUC
SECRETARY'S BUREAU
FRONT DESK

March 6, 2018

**RE: Comments on Corporate Federal Income Tax Rate Changes and the Effects on
Commission-Regulated Public Utilities and Rate Payers**

Docket No. **M-2018-2641242**

Dear Madam Secretary Chiavetta:

I am writing as the Democratic Chairman of the House Consumer Affairs Committee and on behalf of the approximately 62,000 residence of the 127th Legislative District I have had the honor to represent for 41 years. My comments reflect the hardships I see in my community. Many of my friends and neighbors contact me seeking help to pay bills, property taxes and basic daily living expenses. We know in our households we have certain fixed costs we cannot escape: electric, water, and natural gas. I believe the utility companies providing these unavoidable products and services within the Commonwealth should be permitted to make a reasonable profit, however, out of fundamental fairness I do not believe they have a right to the financial windfall as a result of corporate tax cuts. If anyone should benefit from a financial windfall from the tax cuts it's the working families that make Reading and the Commonwealth a great place to live.

The way I see it, it's simple: these tax cuts should get passed through directly to the reduction of the utility bills of everyday Pennsylvanians. What seems so obvious to me may not be obvious to these corporations, and I believe it will take vigilance and determination on the part of the Pennsylvania Public Utility Commission (PUC) to make sure our consumers do not get short-changed. The slashing of the federal corporate tax rate from 35 percent to 21 percent will have enormous financial impacts. Some companies have taken the lead in sharing their tax windfall with its customers. For example, **Baltimore Gas and Electric (BGE)**, determined the tax cuts resulted in **\$82 million a year and they began sharing the tax windfall with its 1.25 million electric and 650,000 natural gas customers in central Maryland**.

Our citizens are under extreme pressure with rising utility bills and it's exasperated by the stagnation in wages. It is essential we do everything in our power to make sure people don't pay a dollar more than they should. The time has come for the PUC to regulate these public utilities in a meaningful way that is pro-consumer and spread the economic windfall to the other 99% of Commonwealth ratepayers. Regulated public utilities should not get reimbursed for costs they did not incur.

Page 2.

I applaud the PUC's initiative to determine the effects of the tax cuts on the tax liabilities of Commission regulated public utilities and the feasibility of reflecting such effects in the rates charged to Pennsylvania Utility ratepayers. Therefore, I implore the Commission to freeze all rate increases, finish the in-depth investigation, and issue an order passing financial windfalls on to the consumers of the Commonwealth. Thank you for taking the time to review my comments. I stand ready to assist should you have any additional questions.

Sincerely,



State Representative Tom Caltagirone

Democratic Chairman, House Consumer Affairs Committee

RECEIVED
2018 MAR -6 PM 3:45

PA PUC
SECRETARY'S BUREAU
FRONT DESK



HOUSE OF REPRESENTATIVES
COMMONWEALTH OF PENNSYLVANIA
HARRISBURG

THOMAS R. CALTAGIRONE, MEMBER
106 IRVIS OFFICE BUILDING
PO BOX 202127
HARRISBURG PA 17120-2127

RECEIVED

2010 MAR -6 PM 3:46

PA PUC
PA PUC'S BUREAU
PARTY'S DESK
SECRETARY FRONT DESK

Secretary's Bureau
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
3rd Floor - 9 East