

## Tax Cuts & Electric Bills

The Tax Cuts & Jobs Act of 2017 reduced the corporate income tax rate from 35% to 21%. This creates a very significant windfall for investor owned utilities. This windfall should be passed on to the customers, rather than to the shareholders of these firms.



Photo Credit: CNBC.com

Some rough math and assumptions indicate the potential magnitude of these savings for customers to around 2.727% of a current bill.

### Advocating for Customers

I will be testifying as an expert witness in the pending Duke Energy Carolinas rate case in North Carolina. I will be advocating for more rate and pricing options for business customers as well as making changes to all electric rates to reflect the new corporate income tax rates.

In this case, the potential savings associated with accounting for the new corporate income tax rate is about \$170,944,000/year.

-Brian Coughlan, PE  
BSEE, MSEE, MBA, CEM, CEA, CEP, CDSM  
President of UMS

### Will my power provider adjust their rates to reflect the new taxes?

Not necessarily. Rates are set by state regulatory commissions. Rates are generally only adjusted as part of a formal rate case. These proceedings typically happen every few years. Power companies receiving a windfall have no incentive to ask state regulators to reduce their rates to reflect the new taxes. In some cases, they may simply enjoy the windfall for several years until the next rate case. Also, even when a power company does have a rate case, they may forget to point out this significant windfall to their state regulators.

### What can an average customer do?

Contact your state regulatory commission and ask them to schedule a rate case proceeding specifically to address the new tax laws in the electric rates. If your power provider is having a rate case, send a letter to state regulators requesting the new tax law be accounted for when setting the new electric rates.

Feel free to call me if you have questions:

**Brian Coughlan, President - 910.793.6232 x102**

### We've made some changes!



You may have noticed there's something different about this quarter's newsletter. Increasing the layout to legal size allows us to share more information.

### We're also Going Electronic!

We have started delivering our newsletter via email. Many email addresses are already in our database, but we're working to obtain more. See *RIGHT* for more info.

### Quarterly Prizes - Win! Win! Win!

Each quarter's newsletter will include an opportunity for you to provide feedback of some sort.

**All who respond will be entered into a drawing for the quarterly prize!**

Please provide three email addresses for people in your organization to receive our newsletters.

Name	Email Address

Provide three email addresses by end-of-day on March 31, 2018 and you will be entered to win this quarter's prize:

### Apple Watch

Scan your response and email it to Lindsey Quick at [LQuick@UtilManagement.com](mailto:LQuick@UtilManagement.com) or simply send Lindsey an email with your three names and email addresses.

Must be received prior to 5pm on March 31, 2018.



### Congratulations to three of our employees on passing the following AEE certification exams!

- Jessica Hannah passed the Certified Demand Side Manager Exam
- Janessa Goldstein passed the Certified Lighting Efficiency Professional Exam
- James Horne passed the Certified Energy Procurement Professional Exam

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