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GOVERNOR ANDREW M. CUOMO

**GOVERNOR CUOMO ANNOUNCES PSC PROCEEDING TO RETURN UTILITY
INCOME TAX WINDFALL TO CUSTOMERS**

***PSC Taking Steps to Ensure Utility Customers, Not Utility Shareholders, Receive
the Financial Benefits of Federal Corporate Income Tax Cuts***

Governor Andrew M. Cuomo today announced that the New York State Public Service Commission is taking steps to ensure that any financial windfall that might be received by New York's utilities as a result of the federal government's decision to cut corporate federal income taxes is returned to the more than 10 million utility customers in New York who indirectly pay the taxes.

"While the federal government slashes corporate income taxes at the expense of middle- and working-class men and women, the PSC will ensure that any resulting financial gains earned by our utilities go to benefit consumers and not company owners," **Governor Cuomo said.** "We will do everything in our power to keep this windfall from lining the pockets of the top 1 percent, and deliver savings directly to hardworking New Yorkers."

The federal tax cut dramatically slashes the taxes collected on corporate profits at the expense of the middle-class. With its passage, PSC accounting and finance experts estimate utilities in New York stand to receive a financial windfall of hundreds of millions of dollars. However, since utility customers indirectly pay the companies' federal income taxes when they pay their monthly utility bills, it is only fair that the benefits received pass to the customer, not to the corporation.

Public Service Commission Chair John B. Rhodes said, "While some utilities have provisions that will automatically capture the net benefits for consumers, some do not, and shareholders could receive the windfall. To prevent a windfall, we will conduct a thorough accounting of the benefits the utilities realize from the tax reduction plan, and we will ensure it's the customers who receive the benefits, not company shareholders."

While a portion of the potential financial benefits would be captured in future rate cases, others could be lost absent immediate PSC action. Rather than allow the utilities to

keep those financial savings for their shareholders, the PSC's plan will capture those tax savings for the benefit of customers.

The PSC's regulatory jurisdiction extends over New York's investor-owned utilities, including six major electric/gas utilities, five major gas utilities, three major water companies, nearly 40 small telephone companies, and hundreds of small water companies. In 2016, these utilities served a total of 10.1 million customers and had total annual operating revenues of about \$24.5 billion.

With this decision, PSC staff will immediately gather information from the relevant utilities in the state, perform an in-depth analysis, and create a comprehensive plan to ensure tax benefits go to ratepayers. The PSC will schedule a technical conference with utilities and stakeholders to quantify the impact of the tax cuts and to ensure the preservation of resulting benefits. The PSC expects its recommendation will be finalized by mid-2018.

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