

For Immediate Release – [Office of State Senator Jerry Hill](#) – February 8, 2018
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State Senator Jerry Hill Introduces Bill to Require That Customers Get the Benefit of Utilities' Tax Savings

SB 1028 Requires a Change in Utility Rates for Privately Owned Electric, Gas, Water and Regulated Phone Companies Within 90 Days of Savings Calculations

SACRAMENTO – State Senator Jerry Hill introduced legislation today to require that the savings privately owned utilities reap from recent federal tax changes are passed along to customers in the form of reduced rates.

“The savings that these utilities realize must be returned to ratepayers,” said Senator Hill, D-San Mateo and Santa Clara Counties. “Anything else would be grossly unfair.”

SB 1028 applies to privately owned utilities that serve Californians, including electric, gas, water and small telephone companies, and requires the California Public Utilities Commission to adjust the rates charged by such utilities “within 90 days after any probable savings can be determined, or reasonably estimated.”

The utilities stand to gain as yet untold savings from the reduction in federal corporate taxes resulting from House Resolution 1, which was signed into law in December.

Senator Hill sent a letter to the CPUC in January urging the regulatory agency to ensure that the tax savings to utilities be returned to ratepayers. The CPUC has said that it already has directed gas and electric companies to track their savings from the tax law changes, but no timeframe was specified for rate adjustments to customers.

In addition to applying to all privately owned utilities whose rates are regulated by the CPUC, SB 1028 specifically requires that the utilities' tax savings be passed along to customers and imposes a timeline for that process.

“Customers should not have to wait for a year or more for the savings enjoyed by investor-owned utilities to be translated to lower rates,” Senator Hill said.

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Resources:

Text of SB 1028 will be available within 24 hours at:

<http://leginfo.legislature.ca.gov/>

Letter to the CPUC:

http://sd13.senate.ca.gov/sites/sd13.senate.ca.gov/files/2018-1-16_hill_cpuc_ltr_reutilitytaxbreaks.pdf