

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Commission's Investigation )  
of the Financial Impact of the Tax Cuts and ) Case No. 18-47-AU-COI  
Jobs Act of 2017 on Regulated Ohio Utility )  
Companies.

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**OHIO PARTNERS FOR AFFORDABLE ENERGY'S  
MOTION TO INTERVENE AND  
MEMORANDUM IN SUPPORT AND  
COMMENTS**

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Ohio Partners for Affordable Energy ("OPAE") hereby respectfully moves the Public Utilities Commission of Ohio ("Commission") for leave to intervene in the above-captioned matter pursuant to Ohio Revised Code Section 4903.221 and Ohio Administrative Code Rule 4901-1-11 with full powers and rights granted by the Commission specifically, by statute, or by the provisions of the Commission's Code of Rules and Regulations to intervening parties. The reasons for granting this motion to intervene are contained in the memorandum attached hereto and incorporated herein.

Respectfully submitted,

/s/ Colleen Mooney  
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**MEMORANDUM IN SUPPORT OF MOTION TO INTERVENE**

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Ohio Partners for Affordable Energy ("OPAE") should be permitted to intervene in this matter pursuant to Section 4903.221, Ohio Revised Code, and Rule 4901-1-11 of the Ohio Administrative Code. The above-referenced investigation of the Public Utilities Commission of Ohio ("Commission") is to consider the financial impact of the Tax Cuts and Jobs Act of 2017 on regulated Ohio utility companies. The Entry opening this investigation states that the Commission will determine the appropriate course of action to pass benefits to ratepayers of the federal corporate income tax rate reduction from 35 percent to 21 percent effective January 1, 2018. The Entry states that the Commission will need to reconcile the new federal income tax rates with the level of tax expense recovered through current base rates, treatment of riders containing a federal corporate income tax component, accumulated deferred income taxes, and deferred tax assets that include income tax components calculated using the previous tax rates. Comments were requested on the process and mechanics of how the Commission should execute any changes to base rates, riders, and deferrals and how the Commission should pass on the benefits to ratepayers.

In determining whether to permit intervention, the following criteria are to be considered: the nature of the person's interest; the extent to which that interest is represented by existing parties; the person's potential contribution to a just and expeditious resolution of the proceeding; and whether granting the intervention will unduly delay or unjustly prejudice any existing party. OPAE meets all four criteria for intervention in this matter.

OPAE is an Ohio non-profit corporation with a stated purpose of advocating for affordable energy policies for low- and moderate-income Ohioans; as such, OPAE has a real and substantial interest in this matter. Additionally, OPAE includes as members non-profit organizations located in the service areas that will be affected by the investigation.<sup>1</sup> Moreover, many of OPAE's members are community action agencies. Under the federal legislation authorizing the creation and funding of these agencies, originally known as the Economic Opportunity Act of 1964, community action agencies are charged with advocating for low-income residents of their communities.

OPAE also provides essential services in the form of bill payment assistance programs and weatherization and energy efficiency services to low-income customers. OPAE members are also non-residential ratepayers of Ohio's public utilities.

OPAE's primary interest in this investigation is to protect the interests of low- and moderate-income residential customers and OPAE members whose provision of utility service will be affected by this investigation. Further, OPAE has been recognized by the Commission in the past as an advocate for

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<sup>1</sup> A list of OPAE members can be found on the website: [www.ohiopartners.org](http://www.ohiopartners.org).

consumers and particularly low-income consumers, all of whom will be affected by the outcome of this investigation.

For the above reasons, OPAE has a direct, real and substantial interest in this matter. The disposition of this matter may impair or impede the ability of OPAE to protect its interests. No other party to the matter will adequately represent the interests of OPAE. OPAE is a rare organization that serves as an advocate, service provider and non-profit, non-residential customer group. No other party represents this group of interests. OPAE's participation in this matter will not cause undue delay, will not unjustly prejudice any existing party, and will contribute to the just and expeditious resolution of the issues raised by this investigation.

Therefore, OPAE is entitled to intervene in this matter with the full powers and rights granted by statute and by the provisions of the Commission's Code of Rules and Regulations to intervening parties.

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## COMMENTS

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The Commission should act to ensure that Ohio consumers receive the full value of Ohio utilities' reduced tax liabilities resulting from the federal Tax Cuts and Jobs Act of 2017 ("Tax Cut Act"). The Commission should analyze the impacts of the Tax Cut Act on Ohio public utilities to guarantee that consumers receive the full benefit of the corporate tax reductions on Ohio public utilities.

In commencing this investigation, the Commission referred to the precedent of the Commission's Investigation of the Financial Impact of the Tax Reform Act of 1986 on Regulated Ohio Utilities, Case No. 87-831-AU-COI ("87-831 case"). In the 87-831 case, the Commission issued an Entry on June 9, 1987 noting that the federal corporate income tax rate was reduced from 46% to 34% effective July 1, 1987. Substantial reduction in the revenue requirements of Ohio utilities was expected to result from the new rate rates. Case No. 87-831-AU-COI, Entry (June 9, 1987) at 1. The Commission noted that rate reductions due to the lower federal corporate income tax rate might be necessary because the tax allowance component in rates under the Commission's ratemaking formula would be significantly reduced. *Id.* The Commission directed all Ohio utilities to review the impact of the 1986 tax cut on their revenue requirements and to provide proposals on how any resulting savings could be passed on to ratepayers. *Id.*

All Ohio utilities were directed to file requests for rate reductions to reflect the decrease in federal income tax rates or to show cause why their rates should not be reduced. Id. at 2-3. The utilities were required to submit financial information for review by the Staff of the Commission. The required information included, among other things, operating income statements and supporting tax workpapers before and after the effective date of the tax reduction, an estimated operating income statement using the new reduced federal corporate tax rates and supporting tax workpapers, and before and after deferred income taxes and accumulated investment tax credits. Id. at 2-3. The Staff was to receive the information within 14 days of the Entry along with the utilities' applications to reduce rates or a statement to show just cause why rates should not be reduced as a result of the 1986 tax reduction. Id. at 3.

The Commission should begin this investigation with a similar process as used with the Tax Reform Act of 1986. This process, which is supported by Commission precedent, should ensure that that the utilities receive due process and customers receive the full benefit of the federal corporate tax reduction.

Respectfully submitted,

s/s Colleen Mooney

Colleen L. Mooney

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## **CERTIFICATE OF SERVICE**

A copy of the foregoing Motion to Intervene and Memorandum in Support and Comments will be served by the Commission's Docketing Division electronically upon persons who electronically subscribe to this case on this 15th day of February 2018.

/s/Colleen Mooney  
Colleen L. Mooney

## **SERVICE LIST**

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Summary: Motion to Intervene and Memorandum in Support and Comments electronically filed by Colleen L Mooney on behalf of Ohio Partners for Affordable Energy