



PUBLIC UTILITIES COMMISSION

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January 26, 2018

PUC Opens Investigation of Federal Tax Legislation's Impact on Public Utilities in Hawaii

HONOLULU – The Hawaii Public Utilities Commission has opened a new proceeding to investigate the impact of the recently signed Tax Cuts and Jobs Act of 2017 (“2017 Tax Act”) on regulated utilities in Hawaii. The Commission intends to ensure that Hawaii customers benefit from lower federal tax rates on their utility bills.

The 2017 Tax Act, which was signed into law by the President of the United States on December 22, 2017, significantly reduces the federal corporate income tax rate from 35% to 21%, among other changes to federal tax law.

“This legislation should provide substantial savings to customers of many public utilities in Hawaii,” said Commission Chairman Randy Iwase. “The Public Utilities Commission will work with regulated utilities and the Consumer Advocate to ensure these tax savings are passed on to customers.”

Due to the potentially significant effects of the new tax legislation, the Commission has directed public utilities to immediately begin tracking any savings incurred from lower tax rates, until the Commission can issue final decisions regarding necessary utility rate adjustments to return the benefits of the 2017 Tax Act to customers. Each public utility shall track and record the benefits resulting from the 2017 Tax Act, including recognition of excess deferred income tax, as applicable.

After review of the amount of tax savings for each applicable public utility, the Commission intends to issue additional orders and make rate adjustments in separate proceedings to assure tax savings are passed on to customers.

The full text of the order opening the investigation may be found on the Commission’s website at: <https://puc.hawaii.gov/main/do35241/>. Further filings related to this investigation will be available on the Commission’s Document Management System, under Docket No. 2018-0012, at <https://dms.puc.hawaii.gov/dms/>.

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