

**BEFORE THE PUBLIC SERVICE COMMISSION
STATE OF MISSOURI**

In the Matter of the Revenue Effects)
Upon Missouri Utilities of the Tax Cuts)
And Jobs Act of 2017.)

Case No. AW-2018-0174

STAFF’S MOTION TO SOLICIT INPUT

COMES NOW the Staff of the Missouri Public Service Commission, by and through counsel, and for its *Motion to Solicit Input*, states as follows:

1. On December 19, 2017, the United States Senate passed the *Tax Cuts and Jobs Act of 2017*, a significant amendment to the *Internal Revenue Code of 1986*, which provides for the reduction of the federal tax rate on corporate income from 35 percent to 21 percent. The *Act* also reportedly includes tax cuts for pass-through entities such as S Corporations, LLCs and partnerships.

2. On December 20, 2017, the United States House of Representatives also passed the *Tax Cuts and Jobs Act of 2017*.

3. On December 22, 2017, President Trump signed the *Tax Cuts and Jobs Act of 2017*.

4. The effective date of the new federal tax rates is January 1, 2018.

5. As a result of the federal income tax rate reductions referred to above, the actual tax obligation of Missouri utilities may be less than the amount of money provided for that purpose by ratepayers.

6. To allow the Commission to develop a prompt plan of response, Staff requests the Commission allow interested stakeholders and Commission-regulated pass-through entities such as S Corporations, LLCs and partnerships to respond to certain questions. Staff further requests the Commission direct all electric

corporations, gas corporations and Missouri-American Water Company to respond to the following questions:

- a. What is the appropriate avenue for effectuating change to utility rates as a result of the federal income tax reductions?
- b. Is a different avenue appropriate for regulated corporations and Commission-regulated pass-through entities such as S Corporations, LLCs and partnerships?
- c. What is the appropriate mechanism(s) for effectuating change to utility rates as a result of the federal income tax reductions?
- d. How does the change to the federal income tax affect pending rate cases?
Can the change be considered in the pending rate cases?
- e. Please calculate the first-year approximate annual Missouri jurisdictional change in cost of service for each utility that is projected to result from implementation of the *Tax Cuts and Job Acts of 2017* (all other things being equal) and provide supporting workpapers for this calculation.)

WHEREFORE, Staff prays that the Commission will allow interested stakeholders and Commission-regulated pass-through entities such as S Corporations, LLCs and partnerships to respond to certain questions as contained in this motion; direct all electric corporations, gas corporations and Missouri-American Water Company to respond, by January 12, 2018, to the questions outlined in this motion; and direct Staff to file, by January 31, 2018, a report summarizing stakeholder input and providing recommendations for the development of a prompt plan of response designed to ensure

that Missouri public utility rates are just and reasonable; and grant such other and further relief as is just in the circumstances.

Respectfully submitted,

/s/ Kevin A. Thompson
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CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing was served electronically of by First Class United States Mail, postage prepaid, on all parties of record as indicated by the service list maintained by the Data Center of the Missouri Public Service Commission on this 27th day of December, 2017.

/s/ Kevin A. Thompson