**Electric Utility Customers to Receive TCJA Credit**

There are 15 Investor-Owned Utilities (IOUs) operating in Wisconsin. They are all organized as Chapter C corporations and the federal Tax Cuts and Jobs Act (TCJA) reduced their corporate tax rate from a maximum of 35% to a flat 21% rate for tax years beginning after 2017.

Taxes paid by Wisconsin IOUs are considered when the Wisconsin Public Service Commission (PSC) sets electric utility rates. Earlier this year, the PSC directed Wisconsin IOUs to provide information on how they propose to account for this tax reduction. Last Thursday, the PSC issued its final order on this matter. Of note:

* The PSC determined Wisconsin IOUs will over-collect from utility customers an estimated $190 million to $198 million annually because the rates customers are currently paying are based on the revenue requirement at the higher federal tax rate.
* The PSC directed them to return $140.7 million annually through a bill credit consisting of a one-time lump sum payment for the income statement component that has already been collected from customers, and, thereafter, a monthly on-going bill credit.

        Utility                                                   Estimated Annual Bill Credit

        Wisconsin Power & Light                            $40,000,000

        Northern States Power (Xcel Energy)            26,991,935

        Wisconsin Public Service Corporation            22,800,000

        Wisconsin Electric Power Company               20,800,000

        Wisconsin Gas                                            19,000,000

        Madison Gas & Electric                                  8,000,000

        Superior Water, Light & Power                       1,322,022

        Northwestern Electric Power                             501,677

        Consolidated Water Power                                435,133

        Dahlberg Light & Power                                    318,439

        Midwest Natural Gas                                        306,774

        City Gas Company                                           120,694

        Pioneer Power & Light                                        56,623

        St.Croix Valley Natural Gas Company                  54,116

        Westfield Milling & Electric                                  22,673

The one-time credit is to be returned to customers on bills issued no later than July 31, 2018. The ongoing, monthly bill credits starts for usage incurred as of July 1 and must appear on customers' monthly bills on the bill immediately following the bill containing the one-time bill credit.