

**Senate Resolution No. 1789**

By Committee on Assessment and Taxation

4-7

1 A RESOLUTION urging rate-regulated utility companies and the State  
2 Corporation Commission to provide customers and ratepayers of  
3 Kansas timely relief by adjusting rates based on the lower federal tax  
4 rate and refunding excess funds collected.

5  
6 WHEREAS, For rate-regulated utility companies, the Kansas  
7 Corporation Commission sets the rates that public utility companies  
8 charge to the ratepayers of Kansas; and

9 WHEREAS, In calculating the rate, the Commission includes an  
10 amount for anticipated federal taxes in the rate calculation; and

11 WHEREAS, Beginning on January 1, 2018, the federal income tax  
12 rate levied on utility companies subject to federal income taxes decreased  
13 from 35% to 21%; and

14 WHEREAS, Rate-regulated utility companies that are collecting  
15 moneys from ratepayers and customers based on the higher anticipated  
16 tax rate are retaining overcollections in anticipation of a return to  
17 customers in the utilities' accounts and in the Accumulated Deferred  
18 Income Tax Account; and

19 WHEREAS, The Commission on March 27, 2018, approved a  
20 settlement for Black Hills Energy and Atmos Energy that will result in  
21 customer bill credits and decreases in surcharges, but has not yet issued  
22 similar settlements or orders for the remainder of rate-regulated public  
23 utility companies; and

24 WHEREAS, Representatives of multiple public utility companies  
25 testified before the Senate Committee on Taxation that the companies  
26 intend to return to the ratepayers of Kansas all moneys overcollected as a  
27 result of the altered tax rate. The Commission has initiated the process  
28 for excess moneys to be returned and savings to be realized by the  
29 ratepayers of Kansas. Other rate-regulated utility companies should join  
30 these utilities in the return of excess moneys to the ratepayers of Kansas;  
31 and

32 WHEREAS, The Legislature relies upon the good faith efforts of the  
33 Commission to execute the will of the Legislature to best serve the  
34 ratepayers of Kansas; and

35 WHEREAS, The tax changes may have given rate-regulated utility  
36 companies moneys in excess of the costs to provide service to Kansans;

1 and

2 WHEREAS, The excess money being collected by rate-regulated  
3 utility companies rightfully belongs to the ratepayers of Kansas: Now,  
4 therefore,

5 *Be it resolved by the Senate of the State of Kansas:* That we urge the  
6 Commission to provide relief as soon as possible to the ratepayers of  
7 Kansas by issuing an order requiring public utility companies subject to  
8 rate regulation to file adjustments stating the amount of federal income  
9 tax that should be lawfully collected from the Kansas ratepayers, to adjust  
10 rates reflecting the new amount, to refund Kansas ratepayers all moneys  
11 collected in excess of that amount and to act expeditiously on those  
12 adjustments; and

13 *Be it further resolved:* That the Secretary of the Senate shall send an  
14 enrolled copy of this resolution to the Kansas Corporation Commission  
15 chairperson and to each of the commissioners.  
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