



## **Industrial Energy Consumers of America**

*The Voice of the Industrial Energy Consumers*

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January 24, 2018

The Honorable Kevin J. McIntyre  
Chairman  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, DC 20426

***Re: Electric Transmission Rates are No Longer Just and Reasonable – Need for Immediate FERC Action in Response to Corporate Tax Reform***

Dear Chairman McIntyre:

On behalf of the Industrial Energy Consumers of America (IECA), due to the reduced corporate income tax rate now in effect as a result of the passage of the Tax Cuts and Jobs Act of 2017, manufacturing consumers of electricity are paying electric transmission rates that are now unjust and unreasonable. IECA urges the Commission to act promptly to ensure that the rates paid by customers of electricity are reduced to reflect the lower corporate tax rate. The Commission is urged to set deadlines for potential refunds and rate reductions for consumers.

All electric transmission companies under the jurisdiction of the Commission recover from ratepayers an income tax allowance that assumes a corporate tax rate of 35 percent. The Tax Cuts and Jobs Act of 2017 has reduced that rate to 21 percent. All transmission companies maintain accumulated deferred income tax (ADIT) accounts that are now significantly overfunded because the tax has been collected from ratepayers at 35 percent, but will be paid in the future at 21 percent. The difference should be returned to electricity ratepayers through rate reductions.

We look forward to working with you on this matter to ensure swift action.

Sincerely,

Paul Cicio  
President