

**Via Electronic Filing and Hand Delivery**

David J. Collins  
Executive Secretary  
Maryland Public Service Commission  
6 St. Paul Street, 16<sup>th</sup> Floor  
Baltimore, MD 21202

Dear Mr. Collins:

As the Commission is aware, legislation reduced the federal corporate income tax rate from 35% to 21% effective January 1, 2018. I write to urge the Public Service Commission to take immediate action to ensure that the cost savings associated with these major tax cuts are passed on to utility customers, where they belong.

At the core of the regulatory compact between customers and the utilities is the principle that customers are entitled to “just and reasonable rates.” *See* Public Utilities Article, § 4-201. Yet customers are now paying rates that do not take into account the huge drop in utility expenses that went into effect January 1. Without a significant rate adjustment, these tax cuts will result in a windfall to the companies at the expense of utility customers.

I appreciate that several of the regulated utilities have recognized the need to reduce rates as a result of the federal tax cut. It is crucial, however, that the Commission review these cuts in a transparent process involving public participation. I therefore support the Office of People’s Counsel’s petition requesting that the Commission examine these issues in case proceedings where the public is provided notice and can intervene and participate fully. *See* OPC Petition (ML#218408). As the petition of the People’s Counsel urges, these proceedings can take place without slowing down the immediate rate reductions proposed by the utilities.

Thank you for your attention to this matter.

Brian Frosh