

BEFORE THE NEW HAMPSHIRE  
PUBLIC UTILITIES COMMISSION

*Investigation to Determine Rate Effects of Federal  
and State Corporate Tax Reductions*

Docket No. IR 18 – 01

*MOTION TO EXTEND APRIL 1 COMPLIANCE DEADLINE TO JUNE 1, 2018*

Lakes Region Water Co., Inc. (“Lakes Region”), by and through Upton & Hatfield, LLP, moves to extend the April 1, 2018 compliance deadline established by Order No. 26,096 to June 1, 2018 as follows:

1. Lakes Region is a New Hampshire corporation and public water utility. Lakes Region serves a total of approximately 1,760 customers in 18 separate systems located in the Lakes Region and Mt. Washington Valley of New Hampshire.
2. Order No. 26,096 directs Lakes Region to file a proposal with the Commission no later than April 1, 2018 to address the 2017 Tax Act, i.e. *H.R. 1, An Act to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018*. Order No. 26,096, states:

Each utility shall file a proposal with the Commission no later than April 1, 2018, to address the effects of the changes in tax laws, including financial information that is sufficient to establish a revenue requirement that reflects prospectively the impacts of those changes. The filing shall include a calculation of any deferred liability accrued by report date and any liability projected to be accrued until the time when final rates are next issued in accordance with a general rate case. It shall also include a plan for providing periodic reports on the accrual and extinguishment of the deferred liability, including an outline of the financial information the utility would expect to file that would be sufficient to establish a revenue requirement that reflects the impact of the tax law changes.

3. Lakes Region expects to fully comply with Order No. 26,096. However, Lakes Region requests that the Commission extend the deadline for it to file its proposal to June 1, 2018 based on the following:

- a. *The Impact of the 2017 Tax Act on Lakes Region Is Not Well Understood and Key Staff Are Not Available.* Congress passed and the President signed into law, the “2017 Tax Act” on December 22, 2017. It has been described as a “sweeping” change to the tax laws. Lakes Region is currently working with its certified public accounting firm Leone MacDonnell & Roberts, P.A. (“Leone”) to prepare its returns for 2017 and has requested assistance from Leone concerning the impact of the 2017 Tax Act and Order No. 26,096. Lakes Region anticipates that it will share Leone’s recommendations as part of its plan to comply with Order No. 26,096. However, Lakes Region’s ability to consult with Leone and develop a plan during the height of the tax season is limited because key staff are focused on tax preparation and related matters. An extension to June 1, 2018 is necessary for Lakes Region to develop a plan with Leone to comply with Order No. 26,096.
- b. *Lakes Region’s 2017 Tax Liability and 2017 Operating Results are Critical to the Plan Required by the Commission.* Lakes Region anticipates filing its Federal and State tax returns by March 15, 2018, or shortly thereafter if an extension is needed. Lakes Region also anticipates its Annual Report will be completed on or before March 30, 2018. This information is critical to the plan required by the Commission because Lakes Region’s income and operating results have changed including changes in its rates (Order No. 25,969 dated 11/28/2016), recoupment (Order No. 26, 028 dated 6/21/2017), the addition of Dockham Shores in 2017

and other significant plant additions in 2017, and other changes. As a result of these changes, Lakes Region's 2016 operating results may not be a good indicator of changes to its 2018 tax liability under the 2017 Tax Act. A short delay of two months to June 1, 2018 will result in a better plan to address the 2017 Tax Act using more reliable data.

4. Rule Puc 202.04, *Extensions of Time*, provides that the Commission shall grant a request for extension of time if: "(1) The party making the request has demonstrated that circumstances would cause undue hardship or inconvenience unless the request were granted; and (2) The extension would not unduly delay the proceeding or adversely affect the rights of any party."

5. Lakes Region submits that the April 1, 2018 deadline in Order No. 26,096 imposes an undue hardship or inconvenience on Lakes Region. An extension to June 1, 2018 will not would not unduly delay this or any other proceeding or adversely affect the rights of any party, particularly because Lakes Region will record its deferred tax liability as directed by Order No. 26,096.

6. Lakes Region contacted the Commission Staff and the Office of Consumer Advocate concerning this request. The Commission Staff and the Office of Consumer Advocate advised that they take no position for or against this request.

WHEREFORE Lakes Region respectfully requests that the Commission extend the April 1, 2018 compliance deadline established by Order No. 26,096 to June 1, 2018 and grant such other relief as justice may require.

Respectfully submitted,

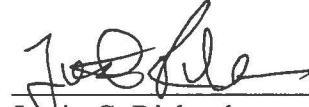
Lakes Region Water Company

By Its Counsel,

UPTON & HATFIELD, LLP

Date: February ~~7~~, 2018

By:



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#### CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was this day forwarded via Electronic Mail to all persons on the Commission's official service list in Docket No. IR 18 – 001.



Justin C. Richardson