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October 17, 2019

Debra Howland  
Executive Director  
New Hampshire Public Utilities Commission  
21 South Fruit Street, Suite 10  
Concord, NH 03301-2429

NHPUC 17OCT19PM8:25

RE: Docket No. DE 19-057  
Public Service Company of New Hampshire d/b/a Eversource Energy  
Notice of Intent to File Rate Schedules

Response of PSNH

Dear Director Howland:

Please accept this letter as the response of Public Service Company of New Hampshire d/b/a Eversource Energy ("PSNH") to the October 16, 2019 letter of the Staff described as the "Status of Audit's Request for Company Tax Returns" (the "Letter"). On August 27, 2019, the Staff filed a motion to compel (the "Motion") seeking certain tax return information of PSNH's parent company – the relevant audit question was included as an attachment to the Motion. On September 9, 2019, PSNH timely objected to the Motion (the "Objection"). The Commission has not yet ruled upon the Motion. Pending a ruling on the Motion, PSNH has continued to offer to have its tax professionals meet with the Staff to discuss this matter to provide information relevant to the pending proceeding. Thus far, Staff has not accepted PSNH's offer.

On October 16, the Staff submitted the Letter arguing that PSNH's Objection included at least one claim that was wrong. PSNH strongly disagrees with the assertions in the Letter. Moreover, the Letter appears to be an attempt to supplement the Motion while the Motion is still pending. PSNH objects to such supplement. PSNH offers this response to clarify its position.

In the Motion, the Staff noted that it had been seeking "the unredacted tax returns for the Eversource Energy business trust and voluntary association." Motion at 2. In the Objection, PSNH clarified that the Eversource Energy business trust and voluntary association is a legally and functionally separate entity from PSNH and that it is entitled to confidentiality of its tax return information. The arguments relative to the confidentiality of that information remain valid.

In the course of its Objection, PSNH also stated that it had "already provided to the Staff unredacted copies of its state and federal tax returns for 2017." Objection at 3. It is on this point that the Staff has accused PSNH of misleading the Commission. According to the Letter, PSNH clarified to the Staff that it files its taxes as part of a federal consolidated group and a New Hampshire unitary group, and that it does not file a separate income tax return for federal and

state taxes. That is true. PSNH has provided to the Staff the portions of the 2017 federal consolidated and New Hampshire unitary tax returns that apply to PSNH while redacting the portions of those returns that do not apply to PSNH. The Staff also has been provided the proforma returns that PSNH prepares to serve as a check on the information contained in the federal consolidated and New Hampshire unitary tax returns. Those proforma returns are not filed externally with any entity but have been provided here to be responsive to the Staff's request. There are no other tax return documents that pertain to PSNH. Thus, the Staff has the complete tax return information that pertains to PSNH.

The Staff, however, contends in the Letter that it is seeking an unredacted version of the "consolidated group tax return" and that this document is the same as "the unredacted returns requested by the Motion." Letter at 2. PSNH disputes both claims.

First, the unredacted returns sought in the Motion are not the consolidated group tax returns, they are the returns for the "Eversource Energy business trust and voluntary association," PSNH's parent company. Thus, the Letter expands upon the scope of the material covered by the Motion (and its underlying request).

Second, and more importantly, regardless of the scope of the request the Commission or the Staff may attribute to the Motion or the Letter, the underlying confidentiality issues remain the same. As noted in the Objection, pursuant to 26 U.S.C. §6103, tax return information is confidential unless an exemption applies, and no exemption applies here. PSNH has disclosed its own tax return information, but the tax return information of other entities within the Eversource Energy system and of the parent company is, and remains, confidential and not subject to disclosure. As PSNH stated in the Objection, "the returns and return information of Eversource Energy, a taxpayer separate and distinct from PSNH, are confidential documents pursuant to federal law." Objection at 4. Precisely the same issue exists relative to all of the separate taxpayers within the Eversource Energy system.

PSNH made clear in its Objection (and has continued to state to the Staff in other communications) that it is willing to make information relative to the Eversource Energy Service Company available and to have its tax professionals engage in direct discussions with the Staff to provide the information the Staff seeks. PSNH is not, however, in a position to waive the confidentiality of the tax return information for the separate taxpayers within the Eversource Energy system, nor does PSNH understand such information to be necessary for a complete and thorough analysis of PSNH's tax liabilities.

Accordingly, PSNH objects to the Letter and its characterization of the information provided. If you have any questions, please do not hesitate to contact me. Thank you for your assistance with this matter.

Very truly yours,



Matthew J. Fossum  
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CC: Service List