



NHPUC 28MAR'18PM12:53

March 27, 2018

BY OVERNIGHT MAIL and E-MAIL

Debra A. Howland
Executive Director and Secretary
New Hampshire Public Utilities Commission
21 S. Fruit Street, Suite 10
Concord, NH 03301-2429

Re: IR 18-001: Investigation to Determine Rate Effects of Federal and
State Corporate Tax Reductions

Dear Director Howland:

In Order No. 26,096 , "Order Opening Investigation," in the above referenced docket, the Public Utilities Commission ("Commission") required that:

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. (Order at 2.)

On March 16, 2018, Unitil Energy Systems, Inc. ("UES" or "Company") filed a Petition for Approval of Step Increase and Other Rate Adjustments ("Petition"). This matter has been docketed as DE 18-036. As described in the Petition and accompanying testimonies and schedules in that filing, the Company requested approval of a number of rate adjustments, including a reduction in its revenue requirement to reflect the impact of federal and state corporate tax reductions.

In his testimony accompanying the Petition, David L. Chong, Director of Finance and Treasurer for Unitil Service Corp., states that the reason for the reduction in revenues was that "Unitil Energy is complying with Commission Order No. 26,096 in Docket IR 18-001, 'Investigation to Determine Rate Effects of Federal and State Corporate Tax Reductions.'" Chong Direct Testimony at 4. The Company's proposal, as discussed by Mr. Chong, includes a revenue reduction of \$2,244,744 as a result of the lower federal and state income tax rates, recognition of a Regulatory Liability of \$769,342 to reflect reduced rates from January through April 2018, and a proposal to resolve the flow back of distribution-related excess ADIT. Accordingly, the Company submits that it has complied with the filing requirement of Order No. 26,096, and refers the Commission and interested parties to the Company's Petition in DE 18-036 for the details of the Company's proposal to address the effects of the changes in tax laws.

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Debra A. Howland, Executive Director

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Please do not hesitate to contact me if you have any questions concerning this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Gary Epler". The signature is fluid and cursive, with the first name "Gary" and the last name "Epler" clearly distinguishable.

Gary Epler

Attorney for Unitil Energy Systems, Inc.

cc: Donald M. Kreis, Consumer Advocate
Service List (by email only)