

**THE STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 18-049

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE d/b/a
EVERSOURCE ENERGY**

**Rate Effects of Federal and State Corporate Tax Reductions
Supplemental Proposal**

SUPPLEMENTAL ORDER OF NOTICE

The Commission opened Docket No. IR 18-001 on January 3, 2018 to require public utilities to address the effect of reductions to federal and state corporate income taxes on customer rates. *See* Order No. 26,096 (January 3, 2018). Investor-owned public utilities regulated in New Hampshire recover the costs of the applicable Tax Acts from utility customers through rates established by the Commission. Public Service Company of New Hampshire d/b/a Eversource Energy (Eversource or the Company) made a filing responsive to Order No. 26,096 on March 30, 2018. In its initial filing, Eversource proposed to address the effects of the changes through a near-term comprehensive rate review that was to follow the completion of divestiture in line with the 2015 Public Service Company of New Hampshire Restructuring and Rate Stabilization Agreement (Agreement).

A prehearing conference was held on June 18, 2018, followed by a technical session with Eversource, the Office of the Consumer Advocate (OCA) and Commission Staff. On June 26, 2018, Eversource filed a revised proposal on how to address the effects of the corporate income tax reductions resulting from the delay in the completion of divestiture and, consequently, a delay in the filing of the proposed comprehensive rate review.

The June 26, 2018 filing presents two options for the Commission's consideration to provide the benefits of the tax changes to Eversource's customers. The first option is to apply the tax savings to newly incurred storm costs which Eversource claims is approximately \$60 million. According to Eversource, doing so would help mitigate potential future rate shock. Customers would receive the near-term financial benefit of the changes in tax law through a lower storm balance and a lower amount of interest on that balance for deferral. Eversource did note that certain of the unaudited costs included in the petition are currently being audited.

The second option would be to give customers the benefit of the tax reduction through a distribution rate adjustment, the stated preference of the OCA and Commission Staff. Eversource proposes to treat the change as an exogenous event consistent with the terms of the Agreement. The change resulting from tax changes meets the relevant threshold of \$1 million annually and if the savings are to be handled as a rate adjustment, such adjustment requires Eversource to file a certification by March 31, 2019 consistent with the Settlement Agreement. Eversource claims that because 2018 is not complete, the full impact of all exogenous changes for 2018 is not yet known and it is possible that some additional changes, either up or down, may affect the total amount to be included in the submission. Once the final amounts are known and the certification filing is made, any changes to rates could be implemented on or after July 1, 2019. Eversource said that to the extent there may be some contention that a change to distribution rates should be made to account for the tax changes but the change should occur in a time or manner different from that required by the 2015 Agreement, Eversource would object to such contention.

The petition and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, will be posted to the Commission's website at <http://www.puc.nh.gov/Regulatory/Docketbk/2018/18-049.html>.

The filing raises, *inter alia*, issues related to whether the Commission should allow the use of money towards storm costs; whether the Commission has the authority to order Eversource to immediately refund the tax effects of Federal and State corporate tax changes to the Commission outside of the time constraints of the exogenous events provision in the Settlement Agreement; whether it is in the public interest that Eversource modify rates to reflect the benefits of the reduction in federal and state corporate income taxes beginning with rates effective in 2018; and whether the resulting rates would be just and reasonable as required by RSA 378:5 and 7. Each party has the right to have an attorney represent the party at the party's own expense.

Based upon the foregoing, it is hereby

ORDERED, that a Hearing Conference, pursuant to N.H. Code Admin. Rules Puc 203.12 before held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on July 11, 2018 at 1:00 p.m.; and it is

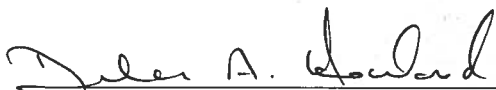
FURTHER ORDERED, that pursuant to N.H. Code Admin. Rules Puc 203.12, the Executive Director shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order of Notice no later than on the Commission's website upon its issuance; and it is

FURTHER ORDERED, that consistent with N.H. Code Admin. Rules Puc 203.17 and Puc 203.02, any party seeking to intervene in the proceeding shall submit to the Commission seven copies of a Petition to Intervene with copies sent to Eversource and the Office of the

Consumer Advocate on or before July 9, 2018, such Petition stating the facts demonstrating how its rights, duties, privileges, immunities or other substantial interest may be affected by the proceeding, consistent with N.H. Code Admin. Rule Puc 203.17; and it is

FURTHER ORDERED, that any party objecting to a Petition to Intervene make said Objection on or before July 11, 2018.

By order of the Public Utilities Commission of New Hampshire this twenty-eighth day of June.



Debra A. Howland
Executive Director

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability should contact the Americans with Disabilities Act Coordinator, NHPUC, 21 S. Fruit St., Suite 10, Concord, New Hampshire 03301-2429; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.