

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

**DE 18-050**

**LIBERTY UTILITIES (GRANITE STATE ELECTRIC) CORP. d/b/a LIBERTY  
UTILITIES**

**Rate Changes Proposed Regarding Tax Reform Act**

**ORDER OF NOTICE**

On April 13, 2018, Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities (Liberty) filed a technical statement and attachments describing the rate changes that Liberty proposes for effect June 1, 2018, as a result of changes to the Federal and State tax laws (Tax Acts). Liberty made the filing pursuant to Order No. 26,096 (January 3, 2018) that directed regulated utilities to file proposals regarding the tax reductions resulting from the Tax Acts to provide rate relief to customers.

In its filing, Liberty calculated the total annualized reduction to income taxes to be \$1,443,313. Order No. 26,096 directed utilities to enter the reduction in income taxes to be as a deferred liability until final rates are established for the utility in a general rate case, or until otherwise ordered by the Commission. Because Liberty has scheduled changes to various components of its rates on June 1, 2018, through the operation of settlement agreements in prior dockets, Liberty proposes to apply the \$1,443,748 to offset increases to distribution rates that would otherwise take effect. Specifically, Liberty proposes to apply the reduction to income tax to offset the distribution rate increase (step adjustment) scheduled for June 1, 2018, recently filed in Docket No. 16-383, its last distribution case; and to the reconciliation of expenses and revenues associated with the reliability enhancement program (Docket No. DE 18-034).

Liberty did not address how it would apply the one-time income tax reduction associated with the first five months of 2018. In addition, Liberty proposes to record the excess accumulated deferred income tax amount of \$3.9 million, and defer the treatment of the regulatory liability until Liberty's next rate case. Liberty said that, pursuant to the settlement agreement approved in Docket No. 16-383, Liberty cannot file a rate case earlier than calendar year 2019, which it intends to do in late April 2019.

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/2018/18-050.html>.

The filing raises, *inter alia*, issues related to whether the calculation of income tax reduction resulting from the Tax Reform Act is correct; whether applying the reduction in tax benefits as proposed will result in just and reasonable rates as required by RSA 378:5 and 7; whether it is reasonable to defer the accumulated deferred income tax; and how Liberty will address the tax reduction associated with the first five months of 2018. 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, pursuant to N.H. Code Admin. Rules Puc 203.12, be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on May 9, 2018 at 10:00 a.m.; and it is

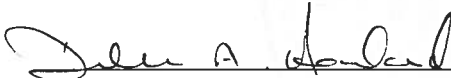
**FURTHER ORDERED**, that pursuant to N.H. Code Admin. Rules Puc 203.12, Liberty shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order of Notice no later than April 25, 2018, in a newspaper with general circulation in those portions of

the state in which operations are conducted, publication to be documented by affidavit filed with the Commission on or before May 7, 2018; 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 Liberty and the Office of the Consumer Advocate on or before May 7, 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 May 9, 2018.

By order of the Public Utilities Commission of New Hampshire this nineteenth day of April, 2018.

  
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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.