

# The Commonwealth of Massachusetts

## DEPARTMENT OF PUBLIC UTILITIES

### NOTICE OF FILING AND REQUEST FOR COMMENTS

D.P.U. 18-15-5

May 23, 2018

Investigation by the Department of Public Utilities, on its own Motion, into the Effect of the Reduction in Federal Income Tax Rates on the Rates Charged by Electric, Gas, and Water Companies.

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On February 2, 2018, on its own motion the Department of Public Utilities (“Department”) opened an investigation into the effect of the Tax Cuts and Jobs Act of 2017 on the Rates Charged by Electric, Gas, and Water Companies. The Department has docketed this matter as D.P.U. 18-15.

Among other things, the Act reduced the federal corporate income tax rate from 35 percent to 21 percent, effective January 1, 2018. The reduction in the federal corporate income tax rate results in both a lower tax expense on current income and booked accumulated deferred income taxes (“ADIT”). In D.P.U. 18-15, at 4-5, the Department found that the reduction in the federal corporate income tax rate constitutes evidence that the rates being charged by certain identified companies may no longer be just and reasonable as of January 1, 2018. To address this issue, the Department directed the companies, as of January 1, 2018, to account for any revenues associated with the difference between the previous and current corporate income tax rates. In addition, the Department directed the companies to account for excess recovery in rates of ADIT resulting from the lower federal corporate income tax rate. The Department directed the identified companies to file proposals to address the effects of the Act, including an adjustment of rates going forward and also a timely refund of revenues associated with the lower tax expense on current income and excess ADIT.

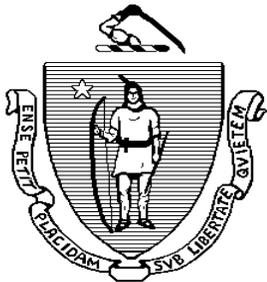
On May 1, 2018, Blackstone Gas Company (“Company”) filed a request for a waiver of its obligation to file revised rates in D.P.U. 18-15. The Department docketed the Company’s request as D.P.U. 18-15-5. The Company maintains that its current base distribution rates include an embedded federal corporate income tax rate of 21.53 percent. Therefore, the Company states that the excess tax it collects (approximately \$1,200) and the excess accumulated deferred income tax it has are de minimus. According to the Company, the costs of returning these funds to ratepayers and implementing new rates would exceed the amount returned and, therefore, good cause exists for a waiver.

Any person who desires to file written comments regarding the Company's request for a waiver shall file an original and two (2) copies of such written comments with Mark D. Marini, Secretary, Department of Public Utilities, One South Station – 5th Floor, Boston, Massachusetts 02110 not later than the close of business (5:00 p.m.) on **Monday, June 11, 2018**.

All documents should also be submitted to the Department in electronic format using one of the following methods: (1) by e-mail attachment to [dpu.efiling@state.ma.us](mailto:dpu.efiling@state.ma.us) and to the Hearing Officer, Shane Early, at [shane.early@state.ma.us](mailto:shane.early@state.ma.us); or (2) on a CD-ROM. The text of the e-mail or CD-ROM must specify: (1) the docket number of the proceeding (D.P.U. 18-15-5); (2) the name of the person or company submitting the filing; and (3) a brief descriptive title of the document. The electronic filing should also include the name, title, and telephone number of a person to contact in the event of questions about the filing. The electronic file name should identify the document, but should not exceed 50 characters in length. All documents submitted in electronic format will be posted on the Department's website, <http://web1.env.state.ma.us/DPU/FileRoom/dockets/bynumber> (enter "18-15").

A copy of the Company's filing is available for public viewing during regular business hours at the Department, One South Station – 5th Floor, Boston, Massachusetts 02110. The filing is also available on the Department's website, <http://web1.env.state.ma.us/DPU/FileRoom/dockets/bynumber> (enter "18-15"). To request materials in accessible formats (braille, large print, electronic files, audio format), contact the Department's ADA Coordinator at [DPUADACoordinator@state.ma.us](mailto:DPUADACoordinator@state.ma.us) or (617) 305-3642.

For further information regarding the Company's filing, please contact counsel for the Company, Andrew J. Newman, Esq., at 781-444-4270. For further information regarding this notice, please contact Shane Early, Hearing Officer, Department of Public Utilities, at (617) 305-3500.



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## DEPARTMENT OF PUBLIC UTILITIES

### ORDER OF NOTICE

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Blackstone Gas Company (“Company”) shall serve a copy of the attached Notice of Filing and Request for Comments (“Notice”) on or before **May 28, 2018** on: (1) the service list in D.P.U. 13-158; (2) the Attorney General of the Commonwealth of Massachusetts; and (3) any person who has filed a request for notice with the Company. Finally, the Company shall prominently display the Notice on its website from three business days following receipt through **June 18, 2018**. The Company shall make return of service at the end of the comment period.

By Order of the Department,

/s/

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Mark D. Marini, Secretary