State of New Hampshire

GENERAL COURT

CONCORD

MEMORANDUM

DATE:	**December 31, 2018**
TO:	**Honorable Stephen J. Shurtleff, Speaker of the House** **Honorable Donna Soucy, President of the Senate** **Honorable Paul C. Smith, House Clerk** **Honorable Tammy L. Wright, Senate Clerk** **Honorable Chris Sununu, Governor** **Michael York, State Librarian**
FROM:	**Representative Patrick Abrami, Chairman**
SUBJECT:	**Updated Final Report of the Commission to Study Utility Property Valuation and Recommend Legislation to Reform the Current System of Taxing Utility Property in New Hampshire RSA 72:12-e (HB 324, Chapter 238:1, Laws of 2018)**

Pursuant to RSA 72:12-e (HB 324, Chapter 238, Laws of 2018), enclosed please find the Final Report of the Commission to Study Utility Property Valuation and Recommend Legislation to Reform the Current System of Taxing Utility Property in New Hampshire.

This report was originally filed November 1, 2018. Thank you for accepting this updated filing which includes the Commission's minutes as Attachment 4. If you have any questions or comments regarding this report, please do not hesitate to contact me.

I would like to thank those members of the Commission who were instrumental in this study. I would also like to acknowledge all those who testified before the Commission and assisted the Commission in our study.

Enclosures

cc: Members of the Commission

FINAL REPORT

Commission to Study Utility Property Valuation and Recommend Legislation to Reform the Current System of Taxing Utility Property in New Hampshire.

RSA 72:12-e (HB 324, Chapter 238, Laws of 2018)

November 1, 2018

Representative Patrick Abrami, Chair
Representative Howard Moffett
Senator Gary Daniels
Scott Bartlett, (NHAAO Rep.)
Christopher Boldt, Esq. (NHMA Rep.)
Hon. Peter Fauver (Retired Judge)
Jonathan Giegerich (Unitil Rep.)
Stephan Hamilton (NH DRA Rep.)
Betsey Patten (ASB Chair/Rep.)
Lisa Shapiro (Eversource Rep.)
Tom Thomson (ASB Rep.)

Commission Charge and Study Purpose:

72:12-e Commission Established; Utility Property Valuation. –

IV. The commission shall:
(a) Consider defects in the current system of utility property valuation, including the use of different appraisal approaches or methodologies by different municipal assessing authorities, the disparate valuation of comparable utility property in different towns throughout the state, and the costs and other inefficiencies involved in litigating disputes over valuation between municipalities and utilities.

(b) Recommend legislation to reform the current system of municipal taxation of utility property, guided by the principles and recommendations unanimously adopted by the assessing standards board on February 16, 2018, intended to make the state’s system of utility property valuation more consistent across municipalities and yet still reflective of the full and fair market value of utility property in each municipality, to the extent reasonably possible.

(c) Consider, among other factors it deems relevant, the following questions:

> (1) Whether the “unit” method or some other uniform statewide method of valuing utility property would yield fairer and more consistent results than the present system of municipal valuation under RSA 75:1.
>
> (2) What valuation approach or combination of approaches is most likely to yield valuation results that are both consistent across municipalities and reflective of the full

and fair market value of utility property in each municipality. In considering this question, the commission shall also consider whether different approaches or methods are best suited for valuing different classes of utility property, or whether a single one of the following valuation approaches or methods can be expected to produce results that are both consistent and reflective of fair market value across various municipalities and classes of utility property:

(A) The "modified net book value" cost approach as described in proposed amendment 2017-2515h;

(B) Another cost approach, such as but not limited to “reproduction cost new less depreciation;"

(C) A market or sales approach;

(D) An income approach;

(E) An approach that combines 2 or more of the above; or

(F) Some other alternative approach.

(3) Whether the department of revenue administration would require additional resources in order to effectively, fairly, and consistently appraise and value various kinds of utility property located in municipalities throughout New Hampshire, if tasked with appraising and valuing utility property throughout the state for purposes of local property taxation.

(4) What appeal process should be available to a utility or municipality that believes a valuation made by the department of revenue administration or any other appraising agency has not resulted in a fair market valuation of specified utility property.

(d) Exclude from its deliberations all generation and Federal Energy Regulatory Commission (FERC) regulated transmission properties.

Process and Procedures:

The Commission met eight times during the study period. The minutes of each meeting are attached.

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Summary of Attachments

Findings and Recommendations:

I. BACKGROUND:

A. For decades, New Hampshire Municipalities and Utility Companies have been engaged in expensive and time-consuming litigation over different methods of valuing Utility Company Assets for purposes of local property taxation. The Courts have allowed up to five different methodologies for appraising Utility Company Assets; and our statutes allow appeals by the Taxpayers either to the Board of Tax and Land Appeals or to the Superior Court, wherever the appealing Taxpayer believes they will get a more favorable decision. The result has been that similar Utility Company Assets are valued for local property taxation purposes at significantly different and inconsistent values, even in adjoining Municipalities. This litigation has been a financial burden on the respective sides comprised of the Utility ratepayers and the Municipal taxpayers, who are often the same people in any given town.

B. For decades, the New Hampshire Supreme Court has noted that the process of determining the fair market value of Utility Company Assets is a difficult and inexact process "akin to a snipe hunt carried on at midnight on a moonless landscape." See, e.g., Public Service Company of N.H. v. Bow, 170 N.H. 539, 542 (2018); Appeal of Pennichuck Water Works, 160 N.H. 18, 37 (2010). Moreover, the Court has long noted that this is a problem for the Legislature to fix: "the decision to adopt such a uniform methodology belongs to the Legislature, not this Court." See, e.g., Appeal of Public Service Company of N.H., 170 N.H. 87, 105 (2017); Southern N.H. Water Co. v. Town of Hudson, 139 N.H. 139, 142-143 (1994).

C. The following are 21 Principles that the Utility Valuation Subcommittee of the Assessing Standards Board adopted in July 2018 concerning the assessment of PUC regulated utility properties in New Hampshire:

1. The assessment valuation of utilities to be determined by using a COST basis
2. The end valuation has to be able to be calculated by the municipalities
3. The valuation must be predictable from year to year
4. Consistency in valuation is required
5. Transmission Regulated Multi-jurisdictional Properties Included - are regulated by NHPUC
6. No value of property within any distribution system should ever go down to $0.00
7. Net Book = Original cost minus depreciation
8. Value as a whole – Individualized values should not be more than the value of the whole
9. Value of Business is not the same as Value of Property
10. Economic Obsolescence needs to be included
11. Contribution In Aid of Construction (CIAC) needs to be reported in the inventory by the utilities
12. Original Cost needs to include CIAC value
13. Net Book Value needs to include CIAC value
14. A relationship between the Original Cost and Net Book Value does exist

15. Assessed Value in the towns/cities should be greater than Net Book Value — Minimum
16. Original Cost is a reasonable proxy for Reproduction Cost Less Depreciation
17. Calculations for the assessed value needs to be based on FACT, not OPINION
18. A phase-in program could be considered because the valuations will change
19. Allow jurisdictions to do their job
20. The town/city valuation needs to be equalized to be fair
21. The utility property designations need to be Current Use property – RSA 75:1

D. Assessing Standards Board adopted the following Recommendations to the HB 324 Commission on July 20, 2018

The Assessing Standards Board recommends the following formulae to the HB 324 Commission. This recommendation relates to the valuation of distribution property owned and operated by NH PUC regulated utilities and the NH Electric Cooperative. It does not relate to the valuation of FERC regulated transmission lines and/or merchant generation facilities. This valuation method is of the actual use, rather than the highest and best use of the property.

Physical Property (E.G. Fixtures, Poles, Wires, Pipes, Etc.)

Weighted Average of Net Book Value and Original Cost as previously recommended by the ASB to the Legislature in 2018.

25% weighted to Net Book Value/ 75% weighted to Original Cost

Local Land Assessment

There are three various types of land and/or land rights part of the distribution property as follows:

<u>Use and Occupancy of Public Rights-of-Way</u>

The local assessment of the occupancy of public rights-of-way shall be calculated by the following formula:

Average value per acre per MS-1 / 43,560 x 5,280 x Miles of *public ROW occupied*

<u>Use and Occupancy of Private Rights of Way</u>

The local assessment of the occupancy of private rights-of-way shall be calculated by the following formula:

Average value per acre per MS-1/43,560 x Length of ROW x Width of ROW x Factor of .15

<u>Ownership of land in fee (by title or deed)</u>

The local assessment of land owned by title or deed shall be calculated as follows:

Average value per acre per MS-1 for primarily used land, with a *provision that excess land be allowed to be placed into current use assessment (RSA 79-A), if it meets all current use criteria. All provisions of the Current Use Law shall apply.*

II. FINDINGS:

A. At the Commission's first meeting on August 14, 2018, the Commission adopted Chairman Abrami's list of "The Task Ahead" as the Commission's statement of goals in this matter:

1. We have been charged with solving a 40-year issue, which is how to best assess utility properties, for municipal property tax purposes, in a fair and consistent manner across all 221 towns and 13 cities in NH.

2. We have been charged with coming up with a uniform methodology.

3. We have been charged with coming up with an approach that is fair to our communities, utilities, property taxpayers, and utility ratepayers.

4. We have been charged with putting an end to the lawsuits between our communities and utilities which are paid for by our property taxpayers and ratepayers.

5. We have been charged to provide a solution that the Courts have been asking us to provide through statute, by providing the methodology and reasoning for the legislature to act upon.

6. We have been charged to find a uniform solution, as most other states have already done, but in a way that is best for all parties in NH.

7. We have been charged to use the work of the Assessing Standards Board (ASB) as the starting point of our discussion.

8. We have been charged with setting aside our parochial views and embrace the big picture and what is best for the whole.

9. We have been charged with quantifying the impact of our recommendations on our communities and utilities and thus our property taxpayers and utility ratepayers, and therefore require the cooperation of all municipalities and utilities in providing the required data.

10. We have been charged with limiting our focus on Public Utility Commission (PUC) regulated utilities and to exclude from our deliberations all generation and Federal Energy Regulatory Commission (FERC) regulated transmission properties.

B. As a result of thorough and thoughtful discussion and extensive public hearings before the ASB and this Commission, the Commission acknowledges that the various stakeholders have strongly held opinions and arguments for their respective positions on the appropriate methodologies for valuing the various Utility Company assets within the scope of this Commission's purview.

C. The Commission acknowledges that the Utility Company assets within this scope include the following:

i. Electric Company (including but not limited to Eversource, NHEC, Unitil and Granite State Electric) distribution poles, wires, conductors, attachments, meters, transformers and substations (generally below 115 kv in voltage rating and capacity – which is the capacity level for regulation by the Federal Energy Regulatory Commission or "FERC" as reported by the Utility on its FERC Form 1), buildings and land rights, including use of the Public Rights of Way, easements on Private Land owned by third parties and land owned in fee by the Electric Company (so long as such easements and fee land are associated solely with Distribution Power Lines below 115 kv in voltage rating and capacity);

ii. Gas Company (including but not limited to Northern Utilities, Liberty and Energy North) distribution pipes, fittings, meters, pressure reducing stations, buildings and land rights including use of the Public Rights of Way, easements on Private Land owned by third parties and land owned in fee by the Gas Company; and

iii. Water Company (including but not limited to Pennichuck and Aquarion) pipes, fittings, meters, wells, pressure/pump stations, buildings and land rights including use of the Public Rights of Way, easements on Private Land owned by third parties and land owned in fee by the Water Company.

D. The Commission acknowledges that the Utility Company assets within this scope DO NOT include the following:

i. Electric Company transmission poles, wires, conductors, attachments, meters, transformers and substations (at or above 115 kv in voltage rating and capacity), buildings and land rights, including easements on Private Land owned by third parties and land owned in fee by the Electric Company (so long as such easements and fee land are associated with Transmission Power Lines at or above 115 kv in voltage rating and capacity);

ii. Electric Generation Facilities and associated land rights, whether in fee or by easement;

iii. Gas Transmission Pipeline facilities regulated by FERC and associated Land Rights; and

iv. Wholly owned Telephone, Cable or Internet Service Provider, and Large Scale Natural Gas and Propane Gas Liquid Storage and Processing Facility assets.

E. The Commission acknowledges that some Utility Companies may not currently have Original Cost, Net Book Value, Contributions in Aid of Construction (“CIAC”) and/or Construction Work in Progress (“CWIP”) figures broken out by separate Municipalities.

F. The Commission acknowledges that the valuation of Land Rights (whether in Private Easements and/or Land and Buildings held in fee) has not been a major issue in the past.

G. The Commission acknowledges that the Recommendations listed below are for the purpose of upcoming Proposed Legislation that will be used for the purposes of Municipal taxation of Utility Company Assets located within the jurisdiction of each separate Municipality and shall not be used for purposes of NH DRA’s performance of valuation for RSA 83-F.

H. The Commission believes that the Recommendations listed below reflect a balanced Compromise between State, Municipal, and Industry Stakeholders to resolve good faith differences as to the proper method by which to value utility property, and, as such, all of the Recommendations set forth in this Report must be considered as a related whole in order to maintain this balanced Compromise.

I. The Commission believes that, as part of this balanced Compromise and in order to maximize the potential savings to the ratepayers and the taxpayers, the parties to the pending litigation between various Utility Companies and various Municipalities for Tax Years 2018 and earlier are strongly urged to reach settlements in a manner fair and equitable to the parties under all circumstances.

J. The Commission’s Technical Working Group obtained information from a variety of sources, but that information was difficult to segregate in all cases into the various categories of Distribution, Transmission, Generation and the multiple Land Rights considered by the Commission. The Working Group provided the Commission with the attached Summary Charts of the potential impacts of the Proposed Legislation; but given the above-referenced difficulties, the figures reflected on these Charts may not be accurate. Attachment #1: Summary Chart for Electric and Gas Utilities; Attachment #2: Summary Chart for Water Utilities.

III. RECOMMENDATIONS

1. The Proposed Legislation should define “Utility Company Assets” in keeping with Finding C, above.

2. The Proposed Legislation should define “Utility Company Assets” so as to exclude those assets listed in Finding D, above.

3. The Proposed Legislation should adopt a unified method of valuing the defined Utility Company Assets (excluding Land Rights) based on 70% of each asset’s Original Cost and 30% of each asset’s Net Book Cost for Electric and Gas Utility Assets and 25% Original Cost, 75% Net book Cost for Water Utility Assets. The Commission’s reasoning for this differential for Water Utility Assets is based on the imbalance in the amount of CIAC in Water Utilities, the long life and gradual depreciation of the Water Utility Assets, the high level of State grants available and used by Water Utility

Companies, and the large number of non-profit but taxable Water Systems in New Hampshire.

4. The Proposed Legislation should adopt a unified method of valuing the Utility Company's use of the Public Right of Way and Private Distribution Easements in the following manner: Adding Three percent (3%) of the defined Utility Company's Assets in the subject Municipality (i.e., if the defined Utility Company Assets in a Municipality are valued at $100,000, the value of the Public Right of Way and Private Distribution Easements would be an additional $3,000 for a total of $103,000.)

5. The Proposed Legislation does not need to address the valuation of land and office/garage/warehouse buildings owned in fee by the Utility Companies.

6. The Proposed Legislation should provide that any Water Company land parcel owned in fee for sanitary radii and/or watershed protection purposes and subject to NH DES regulations to protect water quality shall be entitled to be taxed as Discretionary Easement even if said parcel is less than ten (10) acres in size and/or has a well structure and related piping on the parcel.

7. The Proposed Legislation should require each Utility Company to report to each Municipality and to the DRA by March 1 of each year the Original Cost and Net Book Value (as of December 31st of the preceding year) of each account code category of Distribution, Transmission and Generation Assets, if any, located within such Municipality in keeping with FERC Form 1 Federal Account Code items on a form to be promulgated by NH DRA in accordance with the attached Chart [Attachment #3: Generic Reporting Form. Such reporting requirements shall also include an obligation on the Utility Company to report and track CIAC, CWIP and Undistributed Plant in each Municipality and the Original Cost of each such asset as reported by the contributing entity; and in those instances where a Utility Company may not currently have Original Cost, Net Book Value, CIAC and/or CWIP figures broken out by separate Municipalities, the Proposed Legislation should require the Utility Companies to start to do so as of the effective date of the Legislation. In those instances where a Utility Company does not have Original Cost or Net Book Value broken out by separate Municipalities, the Proposed Legislation should require such Utility Company to develop an accounting system that reports such Asset categories in an efficient, equitable and transparent manner consistent with other Utility Companies.

8. The Proposed Legislation shall establish a Five (5) Year Implementation Period whereby the above-referenced proposed methodology should be used, in the first year, for Twenty Percent (20%) of the Municipality's valuation of the Utility Company Asset with the remainder being the assessed value used by the Municipality for the Tax Year 2018 ("Municipality's Original Value") and in each year thereafter an additional Twenty Percent (20%) being derived by the proposed methodology with a corresponding Twenty Percent (20%) reduction in the Municipality's Original Value, subject to additions and deletions implemented by the Utility Company. All new assets added and/or deleted during this Implementation Period shall be valued using the above-referenced proposed methodology.

9. The Proposed Legislation should establish that the proposed methodology not be modified until at least the expiration of Three (3) Property Tax Years after the above-referenced Implementation Period in order to see how the proposed methodology is actually functioning.

10. The Proposed Legislation should establish Appeal Rights concerning implementation of the proposed methodology and/or the reporting requirements set forth above for both the Utility Companies and the Municipalities be before the Board of Tax and Land Appeals.

11. The effective date of the Proposed Legislation should, as part of this balanced Compromise and in order to maximize the potential savings to the ratepayers and the taxpayers, be one year after the final resolution of all the pending litigation between the various Utility Companies and various Municipalities for Tax Years 2018 and earlier but said effective date should be not later than Tax Year 2021.

12. Given the status of the Case Law as referenced above, the good faith efforts to reach Compromise by the various Stakeholders, and the need to maximize the potential benefits to the taxpayers/ratepayers in our communities, the Commission urges that the Proposed Legislation contain a clause that expressly states that the methodology adopted herein is not to be construed by any Court or the BTLA as applicable to the pending litigation between the various Utility Companies and various Municipalities for Tax Years 2018 and earlier.

Suggested Target Statutes of Potential Legislation to implement these Recommendations: RSA 72, RSA 74, RSA 75 & RSA 79-C

Respectfully Submitted,

Representative Patrick Abrami, Chair

MINORITY REPORT

Commission to Study Utility Property Valuation and Recommend Legislation to Reform the Current System of Taxing Utility Property in New Hampshire.

RSA 72:12-e (HB 324, Chapter 238, Laws of 2018)

November 1, 2018

Jonathan Giegerich, Gas Utility Representative, recognizes the extensive work and analysis done by all HB 324 commission members. However, I believe that the commission's selected Original Cost ("OC") and Net Book Value ("NBV") weighting should be lower. In the commission hearings I supported a weighting of 65% OC and 35% NBV with a 1% adder for private/public Rights of Way ("ROW"). However, as the commission deliberations continued it was decided that the private/public ROW adder should be 3%. Considering a 3% adder for private/public ROW I must change my position to support a weighting of 50% OC and 50% NBV. The basis for my position is as follows:

1. **Inconsistent Data**: The Commission requested and received data from all gas and electric utilities regarding their distribution assets. This data was used to compute the ASB proposed formula and compare to the municipal MS-1 assessments. However, the municipal MS-1 assessments do not distinguish between transmission and distribution assets. The largest asset base, PSNH DBA Eversource, has both transmission and distribution assets included in their municipal MS-1 assessments so a true analysis for the commission recommended formula to current municipal MS-1 assessments could not be made. The commission's study group did make adjustments to recognize the presence of transmission assets in the PSNH municipal MS-1 data; however, there still remains a high probability that the PSNH numbers skew the commission's findings. Of the $3,936,976,865 OC that was analyzed $2,467,821,116 (62.6%) of the OC represented mixed transmission and distribution assets from PSNH. If any of the assumptions made by the commission to adjust for the transmission and distribution MS-1 valuations for PSNH were slightly incorrect, the commission's recommended weighting will have significant unintended impacts.
2. **Exclusion of Distribution garages, warehouses, and inventory yards:** The commission's data request to the utilities did not ask for dollars associated with garages, warehouses, and inventory yards to be excluded. While I don't specifically oppose valuing these separately I do oppose the manner in which the commission excluded them. The decision to exclude the garages, warehouses, and inventory yards was made after the analyses was completed which was done with data that included the dollars associated with these facilities. Additionally, after the exclusion of these assets was decided no discount was given to the recommended weighting which further skews the data.

Based on these two inconsistencies in the data analyzed I cannot support the weighting of OC and NBV in the commission's report. I do however support the formula and the treatment of private/public ROWs. As stated earlier I support a 50%/50% OC & NBV weighting with a 3% adder for private/public ROWs.

Respectfully submitted,

Jonathan A. Giegerich, CPA, MST

MINORITY REPORT

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RSA 72:12-e (HB 324, Chapter 238, Laws of 2018)

November 1, 2018

Dr. Shapiro, representing the electric utilities on the Utility Property Valuation Commission, supports the overall approach the Majority recommends as reported in the final Commission Report. However, at this time, given the preliminary nature of the analysis performed on the proposed formula and how it would impact electric ratepayers, including an increase in some electric rates, Dr. Shapiro supported a somewhat lower weighting of the original cost (50 percent rather than 70 percent). She likewise has some reservations on the implementation and appeals processes recommended, as such recommended processes may also lead to higher levels of property taxes for electric ratepayers for a number of years counter to what may be supported by regulators, and others. Because of the tremendous progress the Commission made in advancing the proposal for a uniform approach to local utility property valuation, and the substantial narrowing of the differences reflected in the majority recommendations, further analysis by the utilities and in consultation with their regulators and others, may lead to some revised outlooks.

Respectfully submitted,

Lisa Shapiro, Ph.D.

Attachment 1

HB 324 Utility Propery Valuation Commission - Final Analysis - Original Cost @ 70% - Net Book @ 30% - Land Rights @ 3% - 10/30/2018

Company	Original Cost	Net Book Value	Formula - 70% OC 30% NBV	Land Rights @ 3% + PSNH Transmission Land	Total - Formula + Land Rights	2017 Total Utility Equalized Assessment	Increase / Decrease - in Total Utility EQ Assessment
Liberty Utilities Granite State Electric	$188,994,565	$109,430,084	$165,125,221	$4,953,757	$170,078,977	$174,373,494	-2%
Northern Utilities, Inc	$186,360,481	$130,333,128	$169,552,275	$5,086,568	$174,638,843	$167,794,384	4%
NH Electric COOP	$354,263,472	$197,408,270	$307,206,911	$9,216,207	$316,423,119	$306,234,851	3%
Liberty-Energy North Gas	$470,392,969	$306,579,149	$421,248,823	$12,637,465	$433,886,288	$379,863,568	14%
Unitil Energy Systems	$269,144,263	$180,664,199	$242,600,244	$7,278,007	$249,878,251	$249,961,270	0%
PSNH	$2,467,821,116	$1,903,580,102	$2,298,548,812	$98,571,242	$2,397,120,054	$2,475,397,850	-3%
Total	**$3,936,976,865**	**$2,827,994,932**	**$3,604,282,285**	**$137,743,246**	**$3,742,025,532**	**$3,753,625,417**	**0%**

* - Land rights = 3% of Formula

** - Land Rights = Public Right of Way & Distribution, Private ROW & Easements. Land Rights does not include Transmission ROW & Easements nor Land in Fee for Transmission or Distribution.

*** - For COMPARISON PURPOSES ONLY, PSNH includes both Transmission & Distribution. The book value of transmission land is added for the anticipated value of transmission fee land and transmission ROW.

HB 324 Utility Propery Valuation Commission - Final Analysis - Original Cost @ 25% - Net Book @ 75% - Land Rights @ 3% - 10/30/2018

Company	Original Cost	Net Book Value	Formula - 25% OC 75% NBV	Land Rights @ 3%	Total - Formula + Land Rights	2017 Assessment	Increase / Decrease - in Total Assessment
PENNICHUCK WATER WORKS	$192,570,758	$128,483,902	$144,505,616	$4,335,168	$148,840,784	$182,635,056	-19%
Pennichuck Water w/o Nashua	$49,633,844	$33,378,484	$37,442,324	$1,123,270	$38,565,594	$29,847,566	29%
Pennichuck East Utility	$57,017,460	$42,352,977	$46,019,098	$1,380,573	$47,399,671	$44,380,663	7%
Pittsfield Aqueduct	$5,678,905	$3,501,094	$4,045,547	$121,366	$4,166,913	$5,776,433	-28%
Total w/Nashua	**$255,267,123**	**$174,337,973**	**$194,570,261**	**$5,837,108**	**$200,407,369**	**$232,792,152**	**-14%**
Total w/o Nashua	**$112,330,209**	**$79,232,555**	**$87,506,969**	**$2,625,209**	**$90,132,178**	**$80,004,662**	**13%**

* - Land rights = 3% of Formula

** - Land Rights = Public Right of Way & Distribution, Private ROW & Easements. Land Rights does not include Transmission ROW & Easements nor Land in Fee for Transmission or Distribution.

*** - Pennichuck Water Works is shown twice. Once with the City of Nashua and once without. The high value of Nashua, almost 75% of the total, skews the data.

Attachment 3

PSNH
Whitefield, New Hampshire
Original Cost - Ledger Data as of 12/31/2017

"*Transmission, Distribution, && General [1] (Attached Report)"	[redacted]
Transformers	
Meters	
Two Way Radios	
GPS Units	
Construction Work In Progress [2] (including Transformers, Meters, Two Way Radios and GPS Units)	
Total Taxable Property	

[1] [redacted] of CIAC is included in the Transmission, Distribution, && General amount.
[2] of CIAC is included in the Construction Work in Process amount.

NU - 2207 6/15/2018

Property Tax Ledger Data
PSNH PROPERTY AS OF 12/31/2017
Whitefield, New Hampshire

Year In Service	"Accumulated Cost"	GL Account	Plant Account	Desciption	Location
1922	[redacted]	121010	350010	Land in Fee	Y8626C : FORMER GORHAM - ST JOHNSBURY LINE : WHITEFIELD
1923	[redacted]	121010	350010	Land in Fee	Y8626C : FORMER GORHAM - ST JOHNSBURY LINE : WHITEFIELD
1972	[redacted]	121010	350010	Land in Fee	Y8641A : FORMER WHITEFIELD - DALTON 33KV LINE #349 : WHITEFIELD
	[redacted]		350010 Total		
1948	[redacted]	121010	350020	Land Rights	YH816A : ROW EASEMENT - WHITEFIELD CO : WHITEFIELD
1948	[redacted]	101010	350020	Land Rights	HX178J : BEEBE RIVER-WHITEFIELD, LINE X-178 : WHITEFIELD
1958	[redacted]	101010	350020	Land Rights	HQ195E : WHITEFIELD-MOORES STATION, LINE Q-195, OPERATING 115KV : WHITEFIELD
1969	[redacted]	101010	350020	Land Rights	HX178J : BEEBE RIVER-WHITEFIELD, LINE X-178 : WHITEFIELD
1970	[redacted]	101010	350020	Land Rights	HS136E : WHITEFIELD-BERLIN, LINE S-136, 115KV : WHITEFIELD
2017	[redacted]	106010	350020	Land Rights	HS136E : WHITEFIELD-BERLIN, LINE S-136, 115KV : WHITEFIELD
	[redacted]		350020 Total		
1955	[redacted]	101010	350160	Land in Fee - Substations	G3290 : WHITEFIELD S/S
	[redacted]		350160 Total		
1958	[redacted]	101010	352890	Other	G3290 : WHITEFIELD S/S
1972	[redacted]	101010	352890	Other	G3290 : WHITEFIELD S/S
	[redacted]		352890 Total		
2009	[redacted]	101010	353230	SCADA Equipment	G3290 : WHITEFIELD S/S
	[redacted]		353230 Total		
1931	[redacted]	101010	353890	Other	G3290 : WHITEFIELD S/S
1939	[redacted]	101010	353890	Other	G3290 : WHITEFIELD S/S
1947	[redacted]	101010	353890	Other	G3290 : WHITEFIELD S/S
1949	[redacted]	101010	353890	Other	G3290 : WHITEFIELD S/S
1953	[redacted]	101010	353890	Other	G3290 : WHITEFIELD S/S
1954	[redacted]	101010	353890	Other	G3290 : WHITEFIELD S/S
1955	[redacted]	101010	353890	Other	G3290 : WHITEFIELD S/S
1956	[redacted]	101010	353890	Other	G3290 : WHITEFIELD S/S
1958	[redacted]	101010	353890	Other	G3290 : WHITEFIELD S/S
1959	[redacted]	101010	353890	Other	G3290 : WHITEFIELD S/S
1960	[redacted]	101010	353890	Other	G3290 : WHITEFIELD S/S
1963	[redacted]	101010	353890	Other	G3290 : WHITEFIELD S/S
1964	[redacted]	101010	353890	Other	G3290 : WHITEFIELD S/S
1966	[redacted]	101010	353890	Other	G3290 : WHITEFIELD S/S
1967	[redacted]	101010	353890	Other	G3290 : WHITEFIELD S/S
1968	[redacted]	101010	353890	Other	G3290 : WHITEFIELD S/S
1969	[redacted]	101010	353890	Other	G3290 : WHITEFIELD S/S
1970	[redacted]	101010	353890	Other	G3290 : WHITEFIELD S/S
1972	[redacted]	101010	353890	Other	G3290 : WHITEFIELD S/S
1973	[redacted]	101010	353890	Other	G3290 : WHITEFIELD S/S
1975	[redacted]	101010	353890	Other	G3290 : WHITEFIELD S/S
1976	[redacted]	101010	353890	Other	G3290 : WHITEFIELD S/S
1979	[redacted]	101010	353890	Other	G3290 : WHITEFIELD S/S
2004	[redacted]	101010	353890	Other	G3290 : WHITEFIELD S/S
2005	[redacted]	101010	353890	Other	G3290 : WHITEFIELD S/S
2006	[redacted]	101010	353890	Other	G3290 : WHITEFIELD S/S
2007	[redacted]	101010	353890	Other	G3290 : WHITEFIELD S/S
2009	[redacted]	101010	353890	Other	G3290 : WHITEFIELD S/S
2012	[redacted]	101010	353890	Other	G3290 : WHITEFIELD S/S
2016	[redacted]	106010	353890	Other	G3290 : WHITEFIELD S/S
2017	[redacted]	106010	353890	Other	G3290 : WHITEFIELD S/S
	[redacted]		353890 Total		
2014	[redacted]	101010	354000	Towers and Fixtures	HS136E : WHITEFIELD-BERLIN, LINE S-136, 115KV : WHITEFIELD
	[redacted]		354000 Total		
1946	[redacted]	101010	355000	Poles and Fixtures	HX178J : BEEBE RIVER-WHITEFIELD, LINE X-178 : WHITEFIELD
1958	[redacted]	101010	355000	Poles and Fixtures	HX178J : BEEBE RIVER-WHITEFIELD, LINE X-178 : WHITEFIELD
1962	[redacted]	101010	355000	Poles and Fixtures	HX178J : BEEBE RIVER-WHITEFIELD, LINE X-178 : WHITEFIELD
1964	[redacted]	101010	355000	Poles and Fixtures	HX178J : BEEBE RIVER-WHITEFIELD, LINE X-178 : WHITEFIELD
1968	[redacted]	101010	355000	Poles and Fixtures	HS136E : WHITEFIELD-BERLIN, LINE S-136, 115KV : WHITEFIELD
1969	[redacted]	101010	355000	Poles and Fixtures	HX178J : BEEBE RIVER-WHITEFIELD, LINE X-178 : WHITEFIELD
1982	[redacted]	101010	355000	Poles and Fixtures	HQ195E : WHITEFIELD-MOORES STATION, LINE Q-195, OPERATING 115KV : WHITEFIELD
1985	[redacted]	101010	355000	Poles and Fixtures	HQ195E : WHITEFIELD-MOORES STATION, LINE Q-195, OPERATING 115KV : WHITEFIELD
1994	[redacted]	101010	355000	Poles and Fixtures	HX178J : BEEBE RIVER-WHITEFIELD, LINE X-178 : WHITEFIELD
2004	[redacted]	101010	355000	Poles and Fixtures	HX178J : BEEBE RIVER-WHITEFIELD, LINE X-178 : WHITEFIELD
2005	[redacted]	101010	355000	Poles and Fixtures	HS136E : WHITEFIELD-BERLIN, LINE S-136, 115KV : WHITEFIELD
2008	[redacted]	101010	355000	Poles and Fixtures	HQ195E : WHITEFIELD-MOORES STATION, LINE Q-195, OPERATING 115KV : WHITEFIELD
2010	[redacted]	101010	355000	Poles and Fixtures	HQ195E : WHITEFIELD-MOORES STATION, LINE Q-195, OPERATING 115KV : WHITEFIELD
2010	[redacted]	101010	355000	Poles and Fixtures	HX178J : BEEBE RIVER-WHITEFIELD, LINE X-178 : WHITEFIELD
2011	[redacted]	101010	355000	Poles and Fixtures	HS136E : WHITEFIELD-BERLIN, LINE S-136, 115KV : WHITEFIELD
2014	[redacted]	101010	355000	Poles and Fixtures	HS136E : WHITEFIELD-BERLIN, LINE S-136, 115KV : WHITEFIELD
2015	[redacted]	101010	355000	Poles and Fixtures	HQ195E : WHITEFIELD-MOORES STATION, LINE Q-195, OPERATING 115KV : WHITEFIELD
2015	[redacted]	106010	355000	Poles and Fixtures	HQ195E : WHITEFIELD-MOORES STATION, LINE Q-195, OPERATING 115KV : WHITEFIELD
2017	[redacted]	106010	355000	Poles and Fixtures	HS136E : WHITEFIELD-BERLIN, LINE S-136, 115KV : WHITEFIELD
	[redacted]		355000 Total		
1946	[redacted]	101010	356000	OH Conductors & Devices	HX178J : BEEBE RIVER-WHITEFIELD, LINE X-178 : WHITEFIELD
1946	[redacted]	101010	356000	OH Conductors & Devices	HQ195E : WHITEFIELD-MOORES STATION, LINE Q-195, OPERATING 115KV : WHITEFIELD
1948	[redacted]	101010	356000	OH Conductors & Devices	HX178J : BEEBE RIVER-WHITEFIELD, LINE X-178 : WHITEFIELD
1958	[redacted]	101010	356000	OH Conductors & Devices	HX178J : BEEBE RIVER-WHITEFIELD, LINE X-178 : WHITEFIELD
1958	[redacted]	101010	356000	OH Conductors & Devices	HQ195E : WHITEFIELD-MOORES STATION, LINE Q-195, OPERATING 115KV : WHITEFIELD
1964	[redacted]	101010	356000	OH Conductors & Devices	HX178J : BEEBE RIVER-WHITEFIELD, LINE X-178 : WHITEFIELD
1968	[redacted]	101010	356000	OH Conductors & Devices	HS136E : WHITEFIELD-BERLIN, LINE S-136, 115KV : WHITEFIELD

Year In Service	"Accumulated Cost"	GL Account	Plant Account	Desciption	Location
1969	[redacted]	101010	356000	OH Conductors & Devices	HX178J : BEEBE RIVER-WHITEFIELD, LINE X-178 : WHITEFIELD
1977	[redacted]	101010	356000	OH Conductors & Devices	HQ195E : WHITEFIELD-MOORES STATION, LINE Q-195, OPERATING 115KV : WHITEFIELD
1978	[redacted]	101010	356000	OH Conductors & Devices	HQ195E : WHITEFIELD-MOORES STATION, LINE Q-195, OPERATING 115KV : WHITEFIELD
1982	[redacted]	101010	356000	OH Conductors & Devices	HQ195E : WHITEFIELD-MOORES STATION, LINE Q-195, OPERATING 115KV : WHITEFIELD
1994	[redacted]	101010	356000	OH Conductors & Devices	HX178J : BEEBE RIVER-WHITEFIELD, LINE X-178 : WHITEFIELD
2004	[redacted]	101010	356000	OH Conductors & Devices	HX178J : BEEBE RIVER-WHITEFIELD, LINE X-178 : WHITEFIELD
2008	[redacted]	101010	356000	OH Conductors & Devices	HQ195E : WHITEFIELD-MOORES STATION, LINE Q-195, OPERATING 115KV : WHITEFIELD
2010	[redacted]	101010	356000	OH Conductors & Devices	HX178J : BEEBE RIVER-WHITEFIELD, LINE X-178 : WHITEFIELD
2010	[redacted]	101010	356000	OH Conductors & Devices	HQ195E : WHITEFIELD-MOORES STATION, LINE Q-195, OPERATING 115KV : WHITEFIELD
2011	[redacted]	101010	356000	OH Conductors & Devices	HS136E : WHITEFIELD-BERLIN, LINE S-136, 115KV : WHITEFIELD
2014	[redacted]	101010	356000	OH Conductors & Devices	HS136E : WHITEFIELD-BERLIN, LINE S-136, 115KV : WHITEFIELD
	[redacted]		356000 Total		
1928	[redacted]	101010	360010	Land in Fee	H348XH : WHITEFIELD-BETHLEHEM, LINE 348X, OPERATING VOLTAGE 34,500 : WHITEFIELD
1930	[redacted]	101010	360010	Land in Fee	H348XH : WHITEFIELD-BETHLEHEM, LINE 348X, OPERATING VOLTAGE 34,500 : WHITEFIELD
1954	[redacted]	101010	360010	Land in Fee	H351D : WHITEFIELD-GORHAM, LINE 351, OPERATING VOLTAGE 34,500 : WHITEFIELD
	[redacted]		360010 Total		
1922	[redacted]	101010	360020	Land Rights	H348XH : WHITEFIELD-BETHLEHEM, LINE 348X, OPERATING VOLTAGE 34,500 : WHITEFIELD
1928	[redacted]	101010	360020	Land Rights	H348XH : WHITEFIELD-BETHLEHEM, LINE 348X, OPERATING VOLTAGE 34,500 : WHITEFIELD
1948	[redacted]	101010	360020	Land Rights	6499 : NH : WHITEFIELD : 6499
1953	[redacted]	101010	360020	Land Rights	H348XH : WHITEFIELD-BETHLEHEM, LINE 348X, OPERATING VOLTAGE 34,500 : WHITEFIELD
1954	[redacted]	101010	360020	Land Rights	H351D : WHITEFIELD-GORHAM, LINE 351, OPERATING VOLTAGE 34,500 : WHITEFIELD
1954	[redacted]	101010	360020	Land Rights	H376XC : WHITEFIELD-LOST NATION, LINE 376X, OPERATING 34.5 KV : WHITEFIELD
1969	[redacted]	101010	360020	Land Rights	H348XH : WHITEFIELD-BETHLEHEM, LINE 348X, OPERATING VOLTAGE 34,500 : WHITEFIELD
1969	[redacted]	101010	360020	Land Rights	H351D : WHITEFIELD-GORHAM, LINE 351, OPERATING VOLTAGE 34,500 : WHITEFIELD
1969	[redacted]	101010	360020	Land Rights	H376XC : WHITEFIELD-LOST NATION, LINE 376X, OPERATING 34.5 KV : WHITEFIELD
1970	[redacted]	101010	360020	Land Rights	H351D : WHITEFIELD-GORHAM, LINE 351, OPERATING VOLTAGE 34,500 : WHITEFIELD
1970	[redacted]	101010	360020	Land Rights	H376XC : WHITEFIELD-LOST NATION, LINE 376X, OPERATING 34.5 KV : WHITEFIELD
	[redacted]		360020 Total		
1923	[redacted]	101010	360160	Land in Fee - Substation	J5221 : WHITEFIELD S/S : 6499
	[redacted]		360160 Total		
1930	[redacted]	101010	361890	-Dist Stuct & Improve	G3290 : WHITEFIELD S/S
1931	[redacted]	101010	361890	-Dist Stuct & Improve	G3290 : WHITEFIELD S/S
1937	[redacted]	101010	361890	-Dist Stuct & Improve	G3290 : WHITEFIELD S/S
1955	[redacted]	101010	361890	-Dist Stuct & Improve	G3290 : WHITEFIELD S/S
1956	[redacted]	101010	361890	-Dist Stuct & Improve	G3290 : WHITEFIELD S/S
1958	[redacted]	101010	361890	-Dist Stuct & Improve	G3290 : WHITEFIELD S/S
1962	[redacted]	101010	361890	-Dist Stuct & Improve	G3290 : WHITEFIELD S/S
1963	[redacted]	101010	361890	-Dist Stuct & Improve	G3290 : WHITEFIELD S/S
1966	[redacted]	101010	361890	-Dist Stuct & Improve	J5221 : WHITEFIELD S/S : 6499
1966	[redacted]	101010	361890	-Dist Stuct & Improve	G3290 : WHITEFIELD S/S
1968	[redacted]	101010	361890	-Dist Stuct & Improve	J5221 : WHITEFIELD S/S : 6499
1970	[redacted]	101010	361890	-Dist Stuct & Improve	G3290 : WHITEFIELD S/S
1971	[redacted]	101010	361890	-Dist Stuct & Improve	G3290 : WHITEFIELD S/S
1972	[redacted]	101010	361890	-Dist Stuct & Improve	G3290 : WHITEFIELD S/S
1982	[redacted]	101010	361890	-Dist Stuct & Improve	G3290 : WHITEFIELD S/S
2004	[redacted]	101010	361890	-Dist Stuct & Improve	G3290 : WHITEFIELD S/S
2009	[redacted]	101010	361890	-Dist Stuct & Improve	G3290 : WHITEFIELD S/S
	[redacted]		361890 Total		
1931	[redacted]	101010	362890	Dist Station Equipment	G3290 : WHITEFIELD S/S
1948	[redacted]	101010	362890	Dist Station Equipment	J5221 : WHITEFIELD S/S : 6499
1949	[redacted]	101010	362890	Dist Station Equipment	G3290 : WHITEFIELD S/S
1951	[redacted]	101010	362890	Dist Station Equipment	G3290 : WHITEFIELD S/S
1952	[redacted]	101010	362890	Dist Station Equipment	G3290 : WHITEFIELD S/S
1954	[redacted]	101010	362890	Dist Station Equipment	G3290 : WHITEFIELD S/S
1955	[redacted]	101010	362890	Dist Station Equipment	G3290 : WHITEFIELD S/S
1956	[redacted]	101010	362890	Dist Station Equipment	G3290 : WHITEFIELD S/S
1958	[redacted]	101010	362890	Dist Station Equipment	G3290 : WHITEFIELD S/S
1959	[redacted]	101010	362890	Dist Station Equipment	G3290 : WHITEFIELD S/S
1960	[redacted]	101010	362890	Dist Station Equipment	G3290 : WHITEFIELD S/S
1963	[redacted]	101010	362890	Dist Station Equipment	G3290 : WHITEFIELD S/S
1966	[redacted]	101010	362890	Dist Station Equipment	G3290 : WHITEFIELD S/S
1966	[redacted]	101010	362890	Dist Station Equipment	J5221 : WHITEFIELD S/S : 6499
1967	[redacted]	101010	362890	Dist Station Equipment	G3290 : WHITEFIELD S/S
1968	[redacted]	101010	362890	Dist Station Equipment	G3290 : WHITEFIELD S/S
1968	[redacted]	101010	362890	Dist Station Equipment	J5221 : WHITEFIELD S/S : 6499
1969	[redacted]	101010	362890	Dist Station Equipment	G3290 : WHITEFIELD S/S
1969	[redacted]	101010	362890	Dist Station Equipment	J5221 : WHITEFIELD S/S : 6499
1970	[redacted]	101010	362890	Dist Station Equipment	G3290 : WHITEFIELD S/S
1971	[redacted]	101010	362890	Dist Station Equipment	G3290 : WHITEFIELD S/S
1972	[redacted]	101010	362890	Dist Station Equipment	G3290 : WHITEFIELD S/S
1973	[redacted]	101010	362890	Dist Station Equipment	G3290 : WHITEFIELD S/S
1975	[redacted]	101010	362890	Dist Station Equipment	G3290 : WHITEFIELD S/S
1975	[redacted]	101010	362890	Dist Station Equipment	J5221 : WHITEFIELD S/S : 6499
1976	[redacted]	101010	362890	Dist Station Equipment	G3290 : WHITEFIELD S/S
1977	[redacted]	101010	362890	Dist Station Equipment	G3290 : WHITEFIELD S/S
1978	[redacted]	101010	362890	Dist Station Equipment	G3290 : WHITEFIELD S/S
1979	[redacted]	101010	362890	Dist Station Equipment	G3290 : WHITEFIELD S/S
1983	[redacted]	101010	362890	Dist Station Equipment	J5221 : WHITEFIELD S/S : 6499
1986	[redacted]	101010	362890	Dist Station Equipment	G3290 : WHITEFIELD S/S
1986	[redacted]	101010	362890	Dist Station Equipment	J5221 : WHITEFIELD S/S : 6499
1987	[redacted]	101010	362890	Dist Station Equipment	G3290 : WHITEFIELD S/S
1990	[redacted]	101010	362890	Dist Station Equipment	J5221 : WHITEFIELD S/S : 6499
1992	[redacted]	101010	362890	Dist Station Equipment	G3290 : WHITEFIELD S/S

Year In Service	"Accumulated Cost"	GL Account	Plant Account	Desciption	Location
1995	[redacted]	101010	362890	Dist Station Equipment	J5221 : WHITEFIELD S/S : 6499
1997	[redacted]	101010	362890	Dist Station Equipment	J5221 : WHITEFIELD S/S : 6499
2000	[redacted]	101010	362890	Dist Station Equipment	G3290 : WHITEFIELD S/S
2000	[redacted]	101010	362890	Dist Station Equipment	J5221 : WHITEFIELD S/S : 6499
2001	[redacted]	101010	362890	Dist Station Equipment	G3290 : WHITEFIELD S/S
2002	[redacted]	101010	362890	Dist Station Equipment	G3290 : WHITEFIELD S/S
2002	[redacted]	101010	362890	Dist Station Equipment	J5221 : WHITEFIELD S/S : 6499
2003	[redacted]	101010	362890	Dist Station Equipment	G3290 : WHITEFIELD S/S
2003	[redacted]	101010	362890	Dist Station Equipment	J5221 : WHITEFIELD S/S : 6499
2004	[redacted]	101010	362890	Dist Station Equipment	G3290 : WHITEFIELD S/S
2009	[redacted]	101010	362890	Dist Station Equipment	J5221 : WHITEFIELD S/S : 6499
2012	[redacted]	101010	362890	Dist Station Equipment	G3290 : WHITEFIELD S/S
2013	[redacted]	101010	362890	Dist Station Equipment	J5221 : WHITEFIELD S/S : 6499
2014	[redacted]	101010	362890	Dist Station Equipment	J5221 : WHITEFIELD S/S : 6499
2015	[redacted]	101010	362890	Dist Station Equipment	G3290 : WHITEFIELD S/S
2017	[redacted]	106010	362890	Dist Station Equipment	G3290 : WHITEFIELD S/S
	[redacted]		362890 Total		
1942	[redacted]	101010	364310	Poles and Appurtenance	6499 : NH : WHITEFIELD : 6499
1953	[redacted]	101010	364310	Poles and Appurtenance	6499 : NH : WHITEFIELD : 6499
1953	[redacted]	101010	364310	Poles and Appurtenance	H348XH : WHITEFIELD-BETHLEHEM, LINE 348X, OPERATING VOLTAGE 34,500 : WHITEFIELD
1954	[redacted]	101010	364310	Poles and Appurtenance	H351D : WHITEFIELD-GORHAM, LINE 351, OPERATING VOLTAGE 34,500 : WHITEFIELD
1954	[redacted]	101010	364310	Poles and Appurtenance	H348XH : WHITEFIELD-BETHLEHEM, LINE 348X, OPERATING VOLTAGE 34,500 : WHITEFIELD
1955	[redacted]	101010	364310	Poles and Appurtenance	H376XC : WHITEFIELD-LOST NATION, LINE 376X, OPERATING 34.5 KV : WHITEFIELD
1961	[redacted]	101010	364310	Poles and Appurtenance	H376XC : WHITEFIELD-LOST NATION, LINE 376X, OPERATING 34.5 KV : WHITEFIELD
1965	[redacted]	101010	364310	Poles and Appurtenance	6499 : NH : WHITEFIELD : 6499
1965	[redacted]	101010	364310	Poles and Appurtenance	H348XH : WHITEFIELD-BETHLEHEM, LINE 348X, OPERATING VOLTAGE 34,500 : WHITEFIELD
1966	[redacted]	101010	364310	Poles and Appurtenance	H348XH : WHITEFIELD-BETHLEHEM, LINE 348X, OPERATING VOLTAGE 34,500 : WHITEFIELD
1966	[redacted]	101010	364310	Poles and Appurtenance	H351D : WHITEFIELD-GORHAM, LINE 351, OPERATING VOLTAGE 34,500 : WHITEFIELD
1966	[redacted]	101010	364310	Poles and Appurtenance	H376XC : WHITEFIELD-LOST NATION, LINE 376X, OPERATING 34.5 KV : WHITEFIELD
1967	[redacted]	101010	364310	Poles and Appurtenance	H351D : WHITEFIELD-GORHAM, LINE 351, OPERATING VOLTAGE 34,500 : WHITEFIELD
1969	[redacted]	101010	364310	Poles and Appurtenance	H348XH : WHITEFIELD-BETHLEHEM, LINE 348X, OPERATING VOLTAGE 34,500 : WHITEFIELD
1970	[redacted]	101010	364310	Poles and Appurtenance	6499 : NH : WHITEFIELD : 6499
1971	[redacted]	101010	364310	Poles and Appurtenance	6499 : NH : WHITEFIELD : 6499
1972	[redacted]	101010	364310	Poles and Appurtenance	6499 : NH : WHITEFIELD : 6499
1973	[redacted]	101010	364310	Poles and Appurtenance	6499 : NH : WHITEFIELD : 6499
1974	[redacted]	101010	364310	Poles and Appurtenance	6499 : NH : WHITEFIELD : 6499
1974	[redacted]	101010	364310	Poles and Appurtenance	H351D : WHITEFIELD-GORHAM, LINE 351, OPERATING VOLTAGE 34,500 : WHITEFIELD
1975	[redacted]	101010	364310	Poles and Appurtenance	6499 : NH : WHITEFIELD : 6499
1975	[redacted]	101010	364310	Poles and Appurtenance	H351D : WHITEFIELD-GORHAM, LINE 351, OPERATING VOLTAGE 34,500 : WHITEFIELD
1975	[redacted]	101010	364310	Poles and Appurtenance	H376XC : WHITEFIELD-LOST NATION, LINE 376X, OPERATING 34.5 KV : WHITEFIELD
1976	[redacted]	101010	364310	Poles and Appurtenance	6499 : NH : WHITEFIELD : 6499
1976	[redacted]	101010	364310	Poles and Appurtenance	H348XH : WHITEFIELD-BETHLEHEM, LINE 348X, OPERATING VOLTAGE 34,500 : WHITEFIELD
1976	[redacted]	101010	364310	Poles and Appurtenance	H351D : WHITEFIELD-GORHAM, LINE 351, OPERATING VOLTAGE 34,500 : WHITEFIELD
1977	[redacted]	101010	364310	Poles and Appurtenance	6499 : NH : WHITEFIELD : 6499
1977	[redacted]	101010	364310	Poles and Appurtenance	H376XC : WHITEFIELD-LOST NATION, LINE 376X, OPERATING 34.5 KV : WHITEFIELD
1978	[redacted]	101010	364310	Poles and Appurtenance	6499 : NH : WHITEFIELD : 6499
1979	[redacted]	101010	364310	Poles and Appurtenance	6499 : NH : WHITEFIELD : 6499
1979	[redacted]	101010	364310	Poles and Appurtenance	H348XH : WHITEFIELD-BETHLEHEM, LINE 348X, OPERATING VOLTAGE 34,500 : WHITEFIELD
1980	[redacted]	101010	364310	Poles and Appurtenance	6499 : NH : WHITEFIELD : 6499
1980	[redacted]	101010	364310	Poles and Appurtenance	H348XH : WHITEFIELD-BETHLEHEM, LINE 348X, OPERATING VOLTAGE 34,500 : WHITEFIELD
1980	[redacted]	101010	364310	Poles and Appurtenance	H376XC : WHITEFIELD-LOST NATION, LINE 376X, OPERATING 34.5 KV : WHITEFIELD
1981	[redacted]	101010	364310	Poles and Appurtenance	6499 : NH : WHITEFIELD : 6499
1981	[redacted]	101010	364310	Poles and Appurtenance	H351D : WHITEFIELD-GORHAM, LINE 351, OPERATING VOLTAGE 34,500 : WHITEFIELD
1982	[redacted]	101010	364310	Poles and Appurtenance	6499 : NH : WHITEFIELD : 6499
1983	[redacted]	101010	364310	Poles and Appurtenance	6499 : NH : WHITEFIELD : 6499
1983	[redacted]	101010	364310	Poles and Appurtenance	H348XH : WHITEFIELD-BETHLEHEM, LINE 348X, OPERATING VOLTAGE 34,500 : WHITEFIELD
1983	[redacted]	101010	364310	Poles and Appurtenance	H351D : WHITEFIELD-GORHAM, LINE 351, OPERATING VOLTAGE 34,500 : WHITEFIELD
1984	[redacted]	101010	364310	Poles and Appurtenance	6499 : NH : WHITEFIELD : 6499
1984	[redacted]	101010	364310	Poles and Appurtenance	H348XH : WHITEFIELD-BETHLEHEM, LINE 348X, OPERATING VOLTAGE 34,500 : WHITEFIELD
1984	[redacted]	101010	364310	Poles and Appurtenance	H376XC : WHITEFIELD-LOST NATION, LINE 376X, OPERATING 34.5 KV : WHITEFIELD
1985	[redacted]	101010	364310	Poles and Appurtenance	6499 : NH : WHITEFIELD : 6499
1985	[redacted]	101010	364310	Poles and Appurtenance	H348XH : WHITEFIELD-BETHLEHEM, LINE 348X, OPERATING VOLTAGE 34,500 : WHITEFIELD
1985	[redacted]	101010	364310	Poles and Appurtenance	H376XC : WHITEFIELD-LOST NATION, LINE 376X, OPERATING 34.5 KV : WHITEFIELD
1986	[redacted]	101010	364310	Poles and Appurtenance	6499 : NH : WHITEFIELD : 6499
1987	[redacted]	101010	364310	Poles and Appurtenance	6499 : NH : WHITEFIELD : 6499
1987	[redacted]	101010	364310	Poles and Appurtenance	H351D : WHITEFIELD-GORHAM, LINE 351, OPERATING VOLTAGE 34,500 : WHITEFIELD
1988	[redacted]	101010	364310	Poles and Appurtenance	6499 : NH : WHITEFIELD : 6499
1989	[redacted]	101010	364310	Poles and Appurtenance	6499 : NH : WHITEFIELD : 6499
1989	[redacted]	101010	364310	Poles and Appurtenance	H351D : WHITEFIELD-GORHAM, LINE 351, OPERATING VOLTAGE 34,500 : WHITEFIELD
1990	[redacted]	101010	364310	Poles and Appurtenance	6499 : NH : WHITEFIELD : 6499
1991	[redacted]	101010	364310	Poles and Appurtenance	6499 : NH : WHITEFIELD : 6499
1991	[redacted]	101010	364310	Poles and Appurtenance	H351D : WHITEFIELD-GORHAM, LINE 351, OPERATING VOLTAGE 34,500 : WHITEFIELD
1991	[redacted]	101010	364310	Poles and Appurtenance	H376XC : WHITEFIELD-LOST NATION, LINE 376X, OPERATING 34.5 KV : WHITEFIELD
1992	[redacted]	101010	364310	Poles and Appurtenance	6499 : NH : WHITEFIELD : 6499
1993	[redacted]	101010	364310	Poles and Appurtenance	6499 : NH : WHITEFIELD : 6499
1994	[redacted]	101010	364310	Poles and Appurtenance	6499 : NH : WHITEFIELD : 6499
1995	[redacted]	101010	364310	Poles and Appurtenance	6499 : NH : WHITEFIELD : 6499
1996	[redacted]	101010	364310	Poles and Appurtenance	6499 : NH : WHITEFIELD : 6499
1997	[redacted]	101010	364310	Poles and Appurtenance	6499 : NH : WHITEFIELD : 6499
1998	[redacted]	101010	364310	Poles and Appurtenance	6499 : NH : WHITEFIELD : 6499
1999	[redacted]	101010	364310	Poles and Appurtenance	6499 : NH : WHITEFIELD : 6499
2000	[redacted]	101010	364310	Poles and Appurtenance	6499 : NH : WHITEFIELD : 6499
2001	[redacted]	101010	364310	Poles and Appurtenance	6499 : NH : WHITEFIELD : 6499

Year In Service	"Accumulated Cost"	GL Account	Plant Account	Desciption	Location
2002	[redacted]	101010	364310	Poles and Appurtenance	6499 : NH : WHITEFIELD : 6499
2003		101010	364310	Poles and Appurtenance	6499 : NH : WHITEFIELD : 6499
2004		101010	364310	Poles and Appurtenance	6499 : NH : WHITEFIELD : 6499
2005		101010	364310	Poles and Appurtenance	6499 : NH : WHITEFIELD : 6499
2006		101010	364310	Poles and Appurtenance	H376XC : WHITEFIELD-LOST NATION, LINE 376X, OPERATING 34.5 KV : WHITEFIELD
2006		101010	364310	Poles and Appurtenance	6499 : NH : WHITEFIELD : 6499
2006		101010	364310	Poles and Appurtenance	H351D : WHITEFIELD-GORHAM, LINE 351, OPERATING VOLTAGE 34,500 : WHITEFIELD
2007		101010	364310	Poles and Appurtenance	6499 : NH : WHITEFIELD : 6499
2007		101010	364310	Poles and Appurtenance	H351D : WHITEFIELD-GORHAM, LINE 351, OPERATING VOLTAGE 34,500 : WHITEFIELD
2008		101010	364310	Poles and Appurtenance	6499 : NH : WHITEFIELD : 6499
2009		101010	364310	Poles and Appurtenance	6499 : NH : WHITEFIELD : 6499
2009		101010	364310	Poles and Appurtenance	H351D : WHITEFIELD-GORHAM, LINE 351, OPERATING VOLTAGE 34,500 : WHITEFIELD
2010		101010	364310	Poles and Appurtenance	6499 : NH : WHITEFIELD : 6499
2011		101010	364310	Poles and Appurtenance	6499 : NH : WHITEFIELD : 6499
2012		101010	364310	Poles and Appurtenance	6499 : NH : WHITEFIELD : 6499
2013		101010	364310	Poles and Appurtenance	6499 : NH : WHITEFIELD : 6499
2014		101010	364310	Poles and Appurtenance	6499 : NH : WHITEFIELD : 6499
2015		101010	364310	Poles and Appurtenance	6499 : NH : WHITEFIELD : 6499
2015		106010	364310	Poles and Appurtenance	6499 : NH : WHITEFIELD : 6499
2015		101010	364310	Poles and Appurtenance	H348XH : WHITEFIELD-BETHLEHEM, LINE 348X, OPERATING VOLTAGE 34,500 : WHITEFIELD
2015		101010	364310	Poles and Appurtenance	H351D : WHITEFIELD-GORHAM, LINE 351, OPERATING VOLTAGE 34,500 : WHITEFIELD
2016		101010	364310	Poles and Appurtenance	6499 : NH : WHITEFIELD : 6499
2016		106010	364310	Poles and Appurtenance	6499 : NH : WHITEFIELD : 6499
2017		106010	364310	Poles and Appurtenance	6499 : NH : WHITEFIELD : 6499
2017		101010	364310	Poles and Appurtenance	6499 : NH : WHITEFIELD : 6499
			364310 Total		
1942		101010	365000	Overhead Conductors, Device	6499 : NH : WHITEFIELD : 6499
1953		101010	365000	Overhead Conductors, Device	6499 : NH : WHITEFIELD : 6499
1953		101010	365000	Overhead Conductors, Device	H348XH : WHITEFIELD-BETHLEHEM, LINE 348X, OPERATING VOLTAGE 34,500 : WHITEFIELD
1954		101010	365000	Overhead Conductors, Device	H348XH : WHITEFIELD-BETHLEHEM, LINE 348X, OPERATING VOLTAGE 34,500 : WHITEFIELD
1954		101010	365000	Overhead Conductors, Device	H351D : WHITEFIELD-GORHAM, LINE 351, OPERATING VOLTAGE 34,500 : WHITEFIELD
1955		101010	365000	Overhead Conductors, Device	H376XC : WHITEFIELD-LOST NATION, LINE 376X, OPERATING 34.5 KV : WHITEFIELD
1959		101010	365000	Overhead Conductors, Device	6499 : NH : WHITEFIELD : 6499
1961		101010	365000	Overhead Conductors, Device	H376XC : WHITEFIELD-LOST NATION, LINE 376X, OPERATING 34.5 KV : WHITEFIELD
1965		101010	365000	Overhead Conductors, Device	6499 : NH : WHITEFIELD : 6499
1965		101010	365000	Overhead Conductors, Device	H348XH : WHITEFIELD-BETHLEHEM, LINE 348X, OPERATING VOLTAGE 34,500 : WHITEFIELD
1966		101010	365000	Overhead Conductors, Device	H348XH : WHITEFIELD-BETHLEHEM, LINE 348X, OPERATING VOLTAGE 34,500 : WHITEFIELD
1966		101010	365000	Overhead Conductors, Device	H351D : WHITEFIELD-GORHAM, LINE 351, OPERATING VOLTAGE 34,500 : WHITEFIELD
1966		101010	365000	Overhead Conductors, Device	H376XC : WHITEFIELD-LOST NATION, LINE 376X, OPERATING 34.5 KV : WHITEFIELD
1967		101010	365000	Overhead Conductors, Device	H351D : WHITEFIELD-GORHAM, LINE 351, OPERATING VOLTAGE 34,500 : WHITEFIELD
1967		101010	365000	Overhead Conductors, Device	H376XC : WHITEFIELD-LOST NATION, LINE 376X, OPERATING 34.5 KV : WHITEFIELD
1968		101010	365000	Overhead Conductors, Device	H351D : WHITEFIELD-GORHAM, LINE 351, OPERATING VOLTAGE 34,500 : WHITEFIELD
1969		101010	365000	Overhead Conductors, Device	H348XH : WHITEFIELD-BETHLEHEM, LINE 348X, OPERATING VOLTAGE 34,500 : WHITEFIELD
1970		101010	365000	Overhead Conductors, Device	6499 : NH : WHITEFIELD : 6499
1971		101010	365000	Overhead Conductors, Device	6499 : NH : WHITEFIELD : 6499
1972		101010	365000	Overhead Conductors, Device	6499 : NH : WHITEFIELD : 6499
1973		101010	365000	Overhead Conductors, Device	6499 : NH : WHITEFIELD : 6499
1974		101010	365000	Overhead Conductors, Device	6499 : NH : WHITEFIELD : 6499
1974		101010	365000	Overhead Conductors, Device	H351D : WHITEFIELD-GORHAM, LINE 351, OPERATING VOLTAGE 34,500 : WHITEFIELD
1975		101010	365000	Overhead Conductors, Device	6499 : NH : WHITEFIELD : 6499
1975		101010	365000	Overhead Conductors, Device	H351D : WHITEFIELD-GORHAM, LINE 351, OPERATING VOLTAGE 34,500 : WHITEFIELD
1975		101010	365000	Overhead Conductors, Device	H376XC : WHITEFIELD-LOST NATION, LINE 376X, OPERATING 34.5 KV : WHITEFIELD
1976		101010	365000	Overhead Conductors, Device	6499 : NH : WHITEFIELD : 6499
1977		101010	365000	Overhead Conductors, Device	6499 : NH : WHITEFIELD : 6499
1977		101010	365000	Overhead Conductors, Device	H376XC : WHITEFIELD-LOST NATION, LINE 376X, OPERATING 34.5 KV : WHITEFIELD
1978		101010	365000	Overhead Conductors, Device	6499 : NH : WHITEFIELD : 6499
1979		101010	365000	Overhead Conductors, Device	6499 : NH : WHITEFIELD : 6499
1979		101010	365000	Overhead Conductors, Device	H348XH : WHITEFIELD-BETHLEHEM, LINE 348X, OPERATING VOLTAGE 34,500 : WHITEFIELD
1980		101010	365000	Overhead Conductors, Device	6499 : NH : WHITEFIELD : 6499
1980		101010	365000	Overhead Conductors, Device	H351D : WHITEFIELD-GORHAM, LINE 351, OPERATING VOLTAGE 34,500 : WHITEFIELD
1980		101010	365000	Overhead Conductors, Device	H348XH : WHITEFIELD-BETHLEHEM, LINE 348X, OPERATING VOLTAGE 34,500 : WHITEFIELD
1980		101010	365000	Overhead Conductors, Device	H376XC : WHITEFIELD-LOST NATION, LINE 376X, OPERATING 34.5 KV : WHITEFIELD
1981		101010	365000	Overhead Conductors, Device	6499 : NH : WHITEFIELD : 6499
1981		101010	365000	Overhead Conductors, Device	H351D : WHITEFIELD-GORHAM, LINE 351, OPERATING VOLTAGE 34,500 : WHITEFIELD
1982		101010	365000	Overhead Conductors, Device	6499 : NH : WHITEFIELD : 6499
1983		101010	365000	Overhead Conductors, Device	6499 : NH : WHITEFIELD : 6499
1984		101010	365000	Overhead Conductors, Device	6499 : NH : WHITEFIELD : 6499
1985		101010	365000	Overhead Conductors, Device	6499 : NH : WHITEFIELD : 6499
1986		101010	365000	Overhead Conductors, Device	6499 : NH : WHITEFIELD : 6499
1987		101010	365000	Overhead Conductors, Device	6499 : NH : WHITEFIELD : 6499
1987		101010	365000	Overhead Conductors, Device	H351D : WHITEFIELD-GORHAM, LINE 351, OPERATING VOLTAGE 34,500 : WHITEFIELD
1988		101010	365000	Overhead Conductors, Device	6499 : NH : WHITEFIELD : 6499
1989		101010	365000	Overhead Conductors, Device	6499 : NH : WHITEFIELD : 6499
1989		101010	365000	Overhead Conductors, Device	H351D : WHITEFIELD-GORHAM, LINE 351, OPERATING VOLTAGE 34,500 : WHITEFIELD
1990		101010	365000	Overhead Conductors, Device	6499 : NH : WHITEFIELD : 6499
1991		101010	365000	Overhead Conductors, Device	6499 : NH : WHITEFIELD : 6499
1991		101010	365000	Overhead Conductors, Device	H351D : WHITEFIELD-GORHAM, LINE 351, OPERATING VOLTAGE 34,500 : WHITEFIELD
1991		101010	365000	Overhead Conductors, Device	H376XC : WHITEFIELD-LOST NATION, LINE 376X, OPERATING 34.5 KV : WHITEFIELD
1992		101010	365000	Overhead Conductors, Device	6499 : NH : WHITEFIELD : 6499
1992		101010	365000	Overhead Conductors, Device	H376XC : WHITEFIELD-LOST NATION, LINE 376X, OPERATING 34.5 KV : WHITEFIELD
1993		101010	365000	Overhead Conductors, Device	6499 : NH : WHITEFIELD : 6499
1994		101010	365000	Overhead Conductors, Device	6499 : NH : WHITEFIELD : 6499
1995		101010	365000	Overhead Conductors, Device	6499 : NH : WHITEFIELD : 6499

Year In Service	"Accumulated Cost"	GL Account	Plant Account	Desciption	Location
1996	[redacted]	101010	365000	Overhead Conductors, Device	6499 : NH : WHITEFIELD : 6499
1997	[redacted]	101010	365000	Overhead Conductors, Device	6499 : NH : WHITEFIELD : 6499
1998	[redacted]	101010	365000	Overhead Conductors, Device	6499 : NH : WHITEFIELD : 6499
1999	[redacted]	101010	365000	Overhead Conductors, Device	6499 : NH : WHITEFIELD : 6499
2000	[redacted]	101010	365000	Overhead Conductors, Device	6499 : NH : WHITEFIELD : 6499
2001	[redacted]	101010	365000	Overhead Conductors, Device	6499 : NH : WHITEFIELD : 6499
2002	[redacted]	101010	365000	Overhead Conductors, Device	6499 : NH : WHITEFIELD : 6499
2003	[redacted]	101010	365000	Overhead Conductors, Device	6499 : NH : WHITEFIELD : 6499
2004	[redacted]	101010	365000	Overhead Conductors, Device	6499 : NH : WHITEFIELD : 6499
2005	[redacted]	101010	365000	Overhead Conductors, Device	6499 : NH : WHITEFIELD : 6499
2006	[redacted]	101010	365000	Overhead Conductors, Device	6499 : NH : WHITEFIELD : 6499
2006	[redacted]	101010	365000	Overhead Conductors, Device	H351D : WHITEFIELD-GORHAM, LINE 351, OPERATING VOLTAGE 34,500 : WHITEFIELD
2006	[redacted]	101010	365000	Overhead Conductors, Device	H376XC : WHITEFIELD-LOST NATION, LINE 376X, OPERATING 34.5 KV : WHITEFIELD
2007	[redacted]	101010	365000	Overhead Conductors, Device	6499 : NH : WHITEFIELD : 6499
2007	[redacted]	101010	365000	Overhead Conductors, Device	H351D : WHITEFIELD-GORHAM, LINE 351, OPERATING VOLTAGE 34,500 : WHITEFIELD
2008	[redacted]	101010	365000	Overhead Conductors, Device	6499 : NH : WHITEFIELD : 6499
2009	[redacted]	101010	365000	Overhead Conductors, Device	6499 : NH : WHITEFIELD : 6499
2009	[redacted]	101010	365000	Overhead Conductors, Device	H348XH : WHITEFIELD-BETHLEHEM, LINE 348X, OPERATING VOLTAGE 34,500 : WHITEFIELD
2009	[redacted]	101010	365000	Overhead Conductors, Device	H351D : WHITEFIELD-GORHAM, LINE 351, OPERATING VOLTAGE 34,500 : WHITEFIELD
2010	[redacted]	101010	365000	Overhead Conductors, Device	6499 : NH : WHITEFIELD : 6499
2010	[redacted]	101010	365000	Overhead Conductors, Device	H351D : WHITEFIELD-GORHAM, LINE 351, OPERATING VOLTAGE 34,500 : WHITEFIELD
2011	[redacted]	101010	365000	Overhead Conductors, Device	6499 : NH : WHITEFIELD : 6499
2012	[redacted]	101010	365000	Overhead Conductors, Device	6499 : NH : WHITEFIELD : 6499
2012	[redacted]	101010	365000	Overhead Conductors, Device	H351D : WHITEFIELD-GORHAM, LINE 351, OPERATING VOLTAGE 34,500 : WHITEFIELD
2012	[redacted]	101010	365000	Overhead Conductors, Device	H376XC : WHITEFIELD-LOST NATION, LINE 376X, OPERATING 34.5 KV : WHITEFIELD
2013	[redacted]	101010	365000	Overhead Conductors, Device	6499 : NH : WHITEFIELD : 6499
2014	[redacted]	101010	365000	Overhead Conductors, Device	6499 : NH : WHITEFIELD : 6499
2014	[redacted]	106010	365000	Overhead Conductors, Device	6499 : NH : WHITEFIELD : 6499
2015	[redacted]	101010	365000	Overhead Conductors, Device	6499 : NH : WHITEFIELD : 6499
2015	[redacted]	106010	365000	Overhead Conductors, Device	6499 : NH : WHITEFIELD : 6499
2015	[redacted]	101010	365000	Overhead Conductors, Device	H348XH : WHITEFIELD-BETHLEHEM, LINE 348X, OPERATING VOLTAGE 34,500 : WHITEFIELD
2015	[redacted]	101010	365000	Overhead Conductors, Device	H351D : WHITEFIELD-GORHAM, LINE 351, OPERATING VOLTAGE 34,500 : WHITEFIELD
2015	[redacted]	106010	365000	Overhead Conductors, Device	H376XC : WHITEFIELD-LOST NATION, LINE 376X, OPERATING 34.5 KV : WHITEFIELD
2016	[redacted]	101010	365000	Overhead Conductors, Device	6499 : NH : WHITEFIELD : 6499
2016	[redacted]	106010	365000	Overhead Conductors, Device	6499 : NH : WHITEFIELD : 6499
2017	[redacted]	101010	365000	Overhead Conductors, Device	6499 : NH : WHITEFIELD : 6499
2017	[redacted]	106010	365000	Overhead Conductors, Device	6499 : NH : WHITEFIELD : 6499
	[redacted]		365000 Total		
1970	[redacted]	101010	366700	DB/UG Conduits and Vaults	6499 : NH : WHITEFIELD : 6499
1973	[redacted]	101010	366700	DB/UG Conduits and Vaults	6499 : NH : WHITEFIELD : 6499
1974	[redacted]	101010	366700	DB/UG Conduits and Vaults	6499 : NH : WHITEFIELD : 6499
1975	[redacted]	101010	366700	DB/UG Conduits and Vaults	6499 : NH : WHITEFIELD : 6499
1977	[redacted]	101010	366700	DB/UG Conduits and Vaults	6499 : NH : WHITEFIELD : 6499
1978	[redacted]	101010	366700	DB/UG Conduits and Vaults	6499 : NH : WHITEFIELD : 6499
1980	[redacted]	101010	366700	DB/UG Conduits and Vaults	6499 : NH : WHITEFIELD : 6499
1985	[redacted]	101010	366700	DB/UG Conduits and Vaults	6499 : NH : WHITEFIELD : 6499
1988	[redacted]	101010	366700	DB/UG Conduits and Vaults	6499 : NH : WHITEFIELD : 6499
1989	[redacted]	101010	366700	DB/UG Conduits and Vaults	6499 : NH : WHITEFIELD : 6499
1990	[redacted]	101010	366700	DB/UG Conduits and Vaults	6499 : NH : WHITEFIELD : 6499
1991	[redacted]	101010	366700	DB/UG Conduits and Vaults	6499 : NH : WHITEFIELD : 6499
1992	[redacted]	101010	366700	DB/UG Conduits and Vaults	6499 : NH : WHITEFIELD : 6499
1994	[redacted]	101010	366700	DB/UG Conduits and Vaults	6499 : NH : WHITEFIELD : 6499
1995	[redacted]	101010	366700	DB/UG Conduits and Vaults	6499 : NH : WHITEFIELD : 6499
1996	[redacted]	101010	366700	DB/UG Conduits and Vaults	6499 : NH : WHITEFIELD : 6499
1997	[redacted]	101010	366700	DB/UG Conduits and Vaults	6499 : NH : WHITEFIELD : 6499
1998	[redacted]	101010	366700	DB/UG Conduits and Vaults	6499 : NH : WHITEFIELD : 6499
1999	[redacted]	101010	366700	DB/UG Conduits and Vaults	6499 : NH : WHITEFIELD : 6499
2000	[redacted]	101010	366700	DB/UG Conduits and Vaults	6499 : NH : WHITEFIELD : 6499
2001	[redacted]	101010	366700	DB/UG Conduits and Vaults	6499 : NH : WHITEFIELD : 6499
2002	[redacted]	101010	366700	DB/UG Conduits and Vaults	6499 : NH : WHITEFIELD : 6499
2003	[redacted]	101010	366700	DB/UG Conduits and Vaults	6499 : NH : WHITEFIELD : 6499
2004	[redacted]	101010	366700	DB/UG Conduits and Vaults	6499 : NH : WHITEFIELD : 6499
2005	[redacted]	101010	366700	DB/UG Conduits and Vaults	6499 : NH : WHITEFIELD : 6499
2006	[redacted]	101010	366700	DB/UG Conduits and Vaults	6499 : NH : WHITEFIELD : 6499
2008	[redacted]	101010	366700	DB/UG Conduits and Vaults	6499 : NH : WHITEFIELD : 6499
2015	[redacted]	101010	366700	DB/UG Conduits and Vaults	6499 : NH : WHITEFIELD : 6499
2016	[redacted]	106010	366700	DB/UG Conduits and Vaults	6499 : NH : WHITEFIELD : 6499
	[redacted]		366700 Total		
1970	[redacted]	101010	367720	DB/UG Conductors and devices	6499 : NH : WHITEFIELD : 6499
1971	[redacted]	101010	367720	DB/UG Conductors and devices	6499 : NH : WHITEFIELD : 6499
1973	[redacted]	101010	367720	DB/UG Conductors and devices	6499 : NH : WHITEFIELD : 6499
1974	[redacted]	101010	367720	DB/UG Conductors and devices	6499 : NH : WHITEFIELD : 6499
1977	[redacted]	101010	367720	DB/UG Conductors and devices	6499 : NH : WHITEFIELD : 6499
1980	[redacted]	101010	367720	DB/UG Conductors and devices	6499 : NH : WHITEFIELD : 6499
1985	[redacted]	101010	367720	DB/UG Conductors and devices	6499 : NH : WHITEFIELD : 6499
1988	[redacted]	101010	367720	DB/UG Conductors and devices	6499 : NH : WHITEFIELD : 6499
1989	[redacted]	101010	367720	DB/UG Conductors and devices	6499 : NH : WHITEFIELD : 6499
1990	[redacted]	101010	367720	DB/UG Conductors and devices	6499 : NH : WHITEFIELD : 6499
1992	[redacted]	101010	367720	DB/UG Conductors and devices	6499 : NH : WHITEFIELD : 6499
1993	[redacted]	101010	367720	DB/UG Conductors and devices	6499 : NH : WHITEFIELD : 6499
1993	[redacted]	106010	367720	DB/UG Conductors and devices	6499 : NH : WHITEFIELD : 6499
1994	[redacted]	106010	367720	DB/UG Conductors and devices	6499 : NH : WHITEFIELD : 6499
1995	[redacted]	101010	367720	DB/UG Conductors and devices	6499 : NH : WHITEFIELD : 6499

Year In Service	"Accumulated Cost"	GL Account	Plant Account	Desciption	Location
1998	[redacted]	101010	367720	D3/UG Conductors and devices	6499 : NH : WHITEFIELD : 6499
2000		101010	367720	D3/UG Conductors and devices	6499 : NH : WHITEFIELD : 6499
2001		101010	367720	D3/UG Conductors and devices	6499 : NH : WHITEFIELD : 6499
2002		101010	367720	D3/UG Conductors and devices	6499 : NH : WHITEFIELD : 6499
2003		101010	367720	D3/UG Conductors and devices	6499 : NH : WHITEFIELD : 6499
2004		101010	367720	D3/UG Conductors and devices	6499 : NH : WHITEFIELD : 6499
2005		101010	367720	D3/UG Conductors and devices	6499 : NH : WHITEFIELD : 6499
2006		101010	367720	D3/UG Conductors and devices	6499 : NH : WHITEFIELD : 6499
2008		101010	367720	D3/UG Conductors and devices	6499 : NH : WHITEFIELD : 6499
2010		101010	367720	D3/UG Conductors and devices	6499 : NH : WHITEFIELD : 6499
2011		101010	367720	D3/UG Conductors and devices	6499 : NH : WHITEFIELD : 6499
2012		101010	367720	D3/UG Conductors and devices	6499 : NH : WHITEFIELD : 6499
2014		101010	367720	D3/UG Conductors and devices	6499 : NH : WHITEFIELD : 6499
2015		101010	367720	D3/UG Conductors and devices	6499 : NH : WHITEFIELD : 6499
2017		106010	367720	D3/UG Conductors and devices	6499 : NH : WHITEFIELD : 6499
			367720 Total		
1942		101010	369320	Cond&Devices-Overhead	6499 : NH : WHITEFIELD : 6499
1953		101010	369320	Cond&Devices-Overhead	6499 : NH : WHITEFIELD : 6499
1965		101010	369320	Cond&Devices-Overhead	6499 : NH : WHITEFIELD : 6499
1971		101010	369320	Cond&Devices-Overhead	6499 : NH : WHITEFIELD : 6499
1972		101010	369320	Cond&Devices-Overhead	6499 : NH : WHITEFIELD : 6499
1973		101010	369320	Cond&Devices-Overhead	6499 : NH : WHITEFIELD : 6499
1974		101010	369320	Cond&Devices-Overhead	6499 : NH : WHITEFIELD : 6499
1975		101010	369320	Cond&Devices-Overhead	6499 : NH : WHITEFIELD : 6499
1976		101010	369320	Cond&Devices-Overhead	6499 : NH : WHITEFIELD : 6499
1977		101010	369320	Cond&Devices-Overhead	6499 : NH : WHITEFIELD : 6499
1978		101010	369320	Cond&Devices-Overhead	6499 : NH : WHITEFIELD : 6499
1979		101010	369320	Cond&Devices-Overhead	6499 : NH : WHITEFIELD : 6499
1980		101010	369320	Cond&Devices-Overhead	6499 : NH : WHITEFIELD : 6499
1981		101010	369320	Cond&Devices-Overhead	6499 : NH : WHITEFIELD : 6499
1982		101010	369320	Cond&Devices-Overhead	6499 : NH : WHITEFIELD : 6499
1983		101010	369320	Cond&Devices-Overhead	6499 : NH : WHITEFIELD : 6499
1984		101010	369320	Cond&Devices-Overhead	6499 : NH : WHITEFIELD : 6499
1985		101010	369320	Cond&Devices-Overhead	6499 : NH : WHITEFIELD : 6499
1986		101010	369320	Cond&Devices-Overhead	6499 : NH : WHITEFIELD : 6499
1987		101010	369320	Cond&Devices-Overhead	6499 : NH : WHITEFIELD : 6499
1988		101010	369320	Cond&Devices-Overhead	6499 : NH : WHITEFIELD : 6499
1989		101010	369320	Cond&Devices-Overhead	6499 : NH : WHITEFIELD : 6499
1990		101010	369320	Cond&Devices-Overhead	6499 : NH : WHITEFIELD : 6499
1991		101010	369320	Cond&Devices-Overhead	6499 : NH : WHITEFIELD : 6499
1992		101010	369320	Cond&Devices-Overhead	6499 : NH : WHITEFIELD : 6499
1993		101010	369320	Cond&Devices-Overhead	6499 : NH : WHITEFIELD : 6499
1994		101010	369320	Cond&Devices-Overhead	6499 : NH : WHITEFIELD : 6499
1995		101010	369320	Cond&Devices-Overhead	6499 : NH : WHITEFIELD : 6499
1996		101010	369320	Cond&Devices-Overhead	6499 : NH : WHITEFIELD : 6499
1997		101010	369320	Cond&Devices-Overhead	6499 : NH : WHITEFIELD : 6499
1998		101010	369320	Cond&Devices-Overhead	6499 : NH : WHITEFIELD : 6499
1999		101010	369320	Cond&Devices-Overhead	6499 : NH : WHITEFIELD : 6499
2000		101010	369320	Cond&Devices-Overhead	6499 : NH : WHITEFIELD : 6499
2001		101010	369320	Cond&Devices-Overhead	6499 : NH : WHITEFIELD : 6499
2002		101010	369320	Cond&Devices-Overhead	6499 : NH : WHITEFIELD : 6499
2003		101010	369320	Cond&Devices-Overhead	6499 : NH : WHITEFIELD : 6499
2004		101010	369320	Cond&Devices-Overhead	6499 : NH : WHITEFIELD : 6499
2005		101010	369320	Cond&Devices-Overhead	6499 : NH : WHITEFIELD : 6499
2006		101010	369320	Cond&Devices-Overhead	6499 : NH : WHITEFIELD : 6499
2007		101010	369320	Cond&Devices-Overhead	6499 : NH : WHITEFIELD : 6499
2008		101010	369320	Cond&Devices-Overhead	6499 : NH : WHITEFIELD : 6499
2009		101010	369320	Cond&Devices-Overhead	6499 : NH : WHITEFIELD : 6499
2010		101010	369320	Cond&Devices-Overhead	6499 : NH : WHITEFIELD : 6499
2011		101010	369320	Cond&Devices-Overhead	6499 : NH : WHITEFIELD : 6499
2012		101010	369320	Cond&Devices-Overhead	6499 : NH : WHITEFIELD : 6499
2013		101010	369320	Cond&Devices-Overhead	6499 : NH : WHITEFIELD : 6499
2014		101010	369320	Cond&Devices-Overhead	6499 : NH : WHITEFIELD : 6499
2015		101010	369320	Cond&Devices-Overhead	6499 : NH : WHITEFIELD : 6499
2015		106010	369320	Cond&Devices-Overhead	6499 : NH : WHITEFIELD : 6499
2016		101010	369320	Cond&Devices-Overhead	6499 : NH : WHITEFIELD : 6499
2016		106010	369320	Cond&Devices-Overhead	6499 : NH : WHITEFIELD : 6499
2017		101010	369320	Cond&Devices-Overhead	6499 : NH : WHITEFIELD : 6499
2017		106010	369320	Cond&Devices-Overhead	6499 : NH : WHITEFIELD : 6499
			369320 Total		
1970		101010	369720	D3/UG Conductors and Devices	6499 : NH : WHITEFIELD : 6499
1971		101010	369720	D3/UG Conductors and Devices	6499 : NH : WHITEFIELD : 6499
1972		101010	369720	D3/UG Conductors and Devices	6499 : NH : WHITEFIELD : 6499
1973		101010	369720	D3/UG Conductors and Devices	6499 : NH : WHITEFIELD : 6499
1974		101010	369720	D3/UG Conductors and Devices	6499 : NH : WHITEFIELD : 6499
1975		101010	369720	D3/UG Conductors and Devices	6499 : NH : WHITEFIELD : 6499
1977		101010	369720	D3/UG Conductors and Devices	6499 : NH : WHITEFIELD : 6499
1978		101010	369720	D3/UG Conductors and Devices	6499 : NH : WHITEFIELD : 6499
1979		101010	369720	D3/UG Conductors and Devices	6499 : NH : WHITEFIELD : 6499
1980		101010	369720	D3/UG Conductors and Devices	6499 : NH : WHITEFIELD : 6499
1981		101010	369720	D3/UG Conductors and Devices	6499 : NH : WHITEFIELD : 6499
1982		101010	369720	D3/UG Conductors and Devices	6499 : NH : WHITEFIELD : 6499
1983		101010	369720	D3/UG Conductors and Devices	6499 : NH : WHITEFIELD : 6499

Year In Service	"Accumulated Cost"	GL Account	Plant Account	Desciption	Location
1984	[redacted]	101010	369720	DB/UG Conductors and Devices	6499 : NH : WHITEFIELD : 6499
1985	[redacted]	101010	369720	DB/UG Conductors and Devices	6499 : NH : WHITEFIELD : 6499
1986	[redacted]	101010	369720	DB/UG Conductors and Devices	6499 : NH : WHITEFIELD : 6499
1987	[redacted]	101010	369720	DB/UG Conductors and Devices	6499 : NH : WHITEFIELD : 6499
1988	[redacted]	101010	369720	DB/UG Conductors and Devices	6499 : NH : WHITEFIELD : 6499
1989	[redacted]	101010	369720	DB/UG Conductors and Devices	6499 : NH : WHITEFIELD : 6499
1990	[redacted]	101010	369720	DB/UG Conductors and Devices	6499 : NH : WHITEFIELD : 6499
1991	[redacted]	101010	369720	DB/UG Conductors and Devices	6499 : NH : WHITEFIELD : 6499
1992	[redacted]	101010	369720	DB/UG Conductors and Devices	6499 : NH : WHITEFIELD : 6499
1993	[redacted]	101010	369720	DB/UG Conductors and Devices	6499 : NH : WHITEFIELD : 6499
1993	[redacted]	106010	369720	DB/UG Conductors and Devices	6499 : NH : WHITEFIELD : 6499
1994	[redacted]	101010	369720	DB/UG Conductors and Devices	6499 : NH : WHITEFIELD : 6499
1994	[redacted]	106010	369720	DB/UG Conductors and Devices	6499 : NH : WHITEFIELD : 6499
1995	[redacted]	101010	369720	DB/UG Conductors and Devices	6499 : NH : WHITEFIELD : 6499
1996	[redacted]	101010	369720	DB/UG Conductors and Devices	6499 : NH : WHITEFIELD : 6499
1997	[redacted]	101010	369720	DB/UG Conductors and Devices	6499 : NH : WHITEFIELD : 6499
1998	[redacted]	101010	369720	DB/UG Conductors and Devices	6499 : NH : WHITEFIELD : 6499
1999	[redacted]	101010	369720	DB/UG Conductors and Devices	6499 : NH : WHITEFIELD : 6499
2000	[redacted]	101010	369720	DB/UG Conductors and Devices	6499 : NH : WHITEFIELD : 6499
2001	[redacted]	101010	369720	DB/UG Conductors and Devices	6499 : NH : WHITEFIELD : 6499
2002	[redacted]	101010	369720	DB/UG Conductors and Devices	6499 : NH : WHITEFIELD : 6499
2003	[redacted]	101010	369720	DB/UG Conductors and Devices	6499 : NH : WHITEFIELD : 6499
2004	[redacted]	101010	369720	DB/UG Conductors and Devices	6499 : NH : WHITEFIELD : 6499
2005	[redacted]	101010	369720	DB/UG Conductors and Devices	6499 : NH : WHITEFIELD : 6499
2006	[redacted]	101010	369720	DB/UG Conductors and Devices	6499 : NH : WHITEFIELD : 6499
2007	[redacted]	101010	369720	DB/UG Conductors and Devices	6499 : NH : WHITEFIELD : 6499
2008	[redacted]	101010	369720	DB/UG Conductors and Devices	6499 : NH : WHITEFIELD : 6499
2009	[redacted]	101010	369720	DB/UG Conductors and Devices	6499 : NH : WHITEFIELD : 6499
2010	[redacted]	101010	369720	DB/UG Conductors and Devices	6499 : NH : WHITEFIELD : 6499
2011	[redacted]	101010	369720	DB/UG Conductors and Devices	6499 : NH : WHITEFIELD : 6499
2012	[redacted]	101010	369720	DB/UG Conductors and Devices	6499 : NH : WHITEFIELD : 6499
2013	[redacted]	101010	369720	DB/UG Conductors and Devices	6499 : NH : WHITEFIELD : 6499
2014	[redacted]	101010	369720	DB/UG Conductors and Devices	6499 : NH : WHITEFIELD : 6499
2015	[redacted]	101010	369720	DB/UG Conductors and Devices	6499 : NH : WHITEFIELD : 6499
2016	[redacted]	101010	369720	DB/UG Conductors and Devices	6499 : NH : WHITEFIELD : 6499
2016	[redacted]	106010	369720	DB/UG Conductors and Devices	6499 : NH : WHITEFIELD : 6499
2017	[redacted]	106010	369720	DB/UG Conductors and Devices	6499 : NH : WHITEFIELD : 6499
	[redacted]		369720 Total		
1974	[redacted]	101010	371400	Inst.Cust.-Area Lighting	6499 : NH : WHITEFIELD : 6499
1975	[redacted]	101010	371400	Inst.Cust.-Area Lighting	6499 : NH : WHITEFIELD : 6499
1976	[redacted]	101010	371400	Inst.Cust.-Area Lighting	6499 : NH : WHITEFIELD : 6499
1979	[redacted]	101010	371400	Inst.Cust.-Area Lighting	6499 : NH : WHITEFIELD : 6499
1981	[redacted]	101010	371400	Inst.Cust.-Area Lighting	6499 : NH : WHITEFIELD : 6499
1982	[redacted]	101010	371400	Inst.Cust.-Area Lighting	6499 : NH : WHITEFIELD : 6499
1988	[redacted]	101010	371400	Inst.Cust.-Area Lighting	6499 : NH : WHITEFIELD : 6499
1993	[redacted]	101010	371400	Inst.Cust.-Area Lighting	6499 : NH : WHITEFIELD : 6499
1995	[redacted]	101010	371400	Inst.Cust.-Area Lighting	6499 : NH : WHITEFIELD : 6499
1996	[redacted]	101010	371400	Inst.Cust.-Area Lighting	6499 : NH : WHITEFIELD : 6499
1998	[redacted]	101010	371400	Inst.Cust.-Area Lighting	6499 : NH : WHITEFIELD : 6499
1999	[redacted]	101010	371400	Inst.Cust.-Area Lighting	6499 : NH : WHITEFIELD : 6499
2002	[redacted]	101010	371400	Inst.Cust.-Area Lighting	6499 : NH : WHITEFIELD : 6499
2003	[redacted]	101010	371400	Inst.Cust.-Area Lighting	6499 : NH : WHITEFIELD : 6499
2005	[redacted]	101010	371400	Inst.Cust.-Area Lighting	6499 : NH : WHITEFIELD : 6499
2009	[redacted]	101010	371400	Inst.Cust.-Area Lighting	6499 : NH : WHITEFIELD : 6499
2010	[redacted]	101010	371400	Inst.Cust.-Area Lighting	6499 : NH : WHITEFIELD : 6499
2014	[redacted]	101010	371400	Inst.Cust.-Area Lighting	6499 : NH : WHITEFIELD : 6499
2017	[redacted]	106010	371400	Inst.Cust.-Area Lighting	6499 : NH : WHITEFIELD : 6499
	[redacted]		371400 Total		
1965	[redacted]	101010	373320	SL-Conductors & Device OH	6499 : NH : WHITEFIELD : 6499
	[redacted]		373320 Total		
1970	[redacted]	101010	373380	SL- Poles - Overhead	6499 : NH : WHITEFIELD : 6499
	[redacted]		373380 Total		
1992	[redacted]	101010	373390	SL- Fixtures - Overhead	6499 : NH : WHITEFIELD : 6499
2004	[redacted]	101010	373390	SL- Fixtures - Overhead	6499 : NH : WHITEFIELD : 6499
2005	[redacted]	101010	373390	SL- Fixtures - Overhead	6499 : NH : WHITEFIELD : 6499
2006	[redacted]	101010	373390	SL- Fixtures - Overhead	6499 : NH : WHITEFIELD : 6499
2007	[redacted]	101010	373390	SL- Fixtures - Overhead	6499 : NH : WHITEFIELD : 6499
2010	[redacted]	101010	373390	SL- Fixtures - Overhead	6499 : NH : WHITEFIELD : 6499
2011	[redacted]	101010	373390	SL- Fixtures - Overhead	6499 : NH : WHITEFIELD : 6499
2016	[redacted]	101010	373390	SL- Fixtures - Overhead	6499 : NH : WHITEFIELD : 6499
	[redacted]		373390 Total		
2008	[redacted]	101010	373700	DB/UG Conduits and Vaults	6499 : NH : WHITEFIELD : 6499
	[redacted]		373700 Total		
2008	[redacted]	101010	373780	DB/UG Poles	6499 : NH : WHITEFIELD : 6499
	[redacted]		373780 Total		
2003	[redacted]	101010	373790	DB/UG Fixtures	6499 : NH : WHITEFIELD : 6499
2008	[redacted]	101010	373790	DB/UG Fixtures	6499 : NH : WHITEFIELD : 6499
	[redacted]		373790 Total		
	[redacted]		Grand Total		

Attachment 4

Meeting Minutes

Commission to Study Utility Property Valuation and Recommend Legislation to Reform the Current System of Taxing Utility Property in New Hampshire

DRAFT

DATE: *August 14, 2018* ***TIME***: *8:30 a.m.*

LOCATION: *Legislative Office Building, Room 202, Concord, NH*

COMMISSION MEMBERS

(E) Excused absence

David Gray- for Jonathan Giegerich- Gas Utility
Scott Bartlett - NHAAO
Peter Fauver – Retired Judicial Member
Betsey Patten - ASB Chair
Senator Gary Daniels - Senate
Representative Patrick Abrami – House Ways & Means
Representative Howard Moffett – House Science, Technology & Energy
Stephan Hamilton, NHDRA
Lisa Shapiro – Electric Utility
Tom Thomson - ASB
Chris Boldt – NHMA

MEMBERS of the PUBLIC

Chair Abrami convened the meeting at 8:30 a.m. and immediately stated that in the future, without any objection, he would refer to this as the Commission to Study Utility Property Valuation and leave off the rest if that is okay with everybody. The members concurred.

Chair Abrami thanked the members for being there and participating in this commission. This is a very important topic. The legislature has been dealing with this for the last couple of years. The Assessing Standards Board has been looking at this issue as well. Introductions followed. Contact information sheet was circulated to the members to be updated. A brief overview of how this meeting would proceed was discussed.

Chair Abrami stated that the commission has only two and a half months to complete this. The commission must be done by the end of October. He would like to plan to meet every other week on Tuesdays. A quorum of 6 is required for votes. Substitutions will be allowed however a substitute will not be able to vote.

The commission has been charged with solving a forty- year issue which is how to assess utility properties for municipal property tax purposes in a fair and consistent manner across the 221 towns and 13 cities in New Hampshire. Secondly, we have been charged to come up with a uniform methodology. Third, we have been charged with coming up with an approach that is fair to our communities, utilities, property tax payers, and utility rate payers. Fourth, we have been charged with putting an end to law suits between our communities and utilities which are paid for by our property tax payers and rate payers. Fifth, we have been charged to provide a solution that the courts have been asking us to provide through statute. Providing the methodology and reasoning for the legislature to act upon. Sixth, we have been charged to find a uniform solution as most other states have done in a way that is best for all parties in New Hampshire. We have been charged to use the work of the Assessing Standards Board as our starting point. We have been charged with setting aside our parochial views and embrace the big picture and what is best for the whole. We have been charged with quantifying the impact of our recommendations on our communities and utilities and thus property tax payers and utility rate payers and therefore require the cooperation of all municipalities and utilities in providing the required data. And tenth, we have been charged in limiting our focus on Public Utility Commission (PUC) regulated utilities and to exclude from all *deliberations all Generation and Federal Energy Regulatory Commission (FERC) regulated transmission properties. Taking the large transmission lines out of this discussion would be best and try to focus on the regional transmission and the local transmission. This discussion is not just about electricity, but water and gas as well.*

The chairman asked if there were any discussion on this so far. There was one comment regarding one electric company in the state that was not regulated by the PUC. Chair Abrami agreed that the company in question would be included in the discussion.

Representative Moffett member commended Chair Abrami in the excellent summary of the somewhat complicated task. It was clear and very helpful.

Senator Daniels said that one of the first things that was supposed to be done was to elect the Chair, and said he would like to nominate Representative Abrami as Chair. The motion was seconded. A vote was held. All in favor.

Chair Abrami gave a background explanation of House Bill 324 and how this Commission came to be. The ASB suggested a 25 percent net book value and 75 percent of original cost. Ways and Means changed that to 50/50 and they accepted the glide path over a five-year period that the ASB had come up with in order to lessen the impact on certain communities. The one area that the Ways and Means didn't have was the land portion. After a brief explanation, Mr. Hamilton passed out handouts for the Assessing Standards Board. Ms. Patten described how the Assessing Standards Board came up with the formulas for the land valuation for utilities. There are three types of land that needs to be assessed for utilities. The three types are use and occupancy of public right-of-way, the use and occupancy of private right-of-way, and ownership of land in fee. The ASB came up with 22 principals that they wanted to be able to follow as they were trying to figure out a formula. The Legislature charged the ASB to recommend legislation that would be used in assessing property taxes in the State of New Hampshire. The ASB has not taken the formulas and tried to find out what the impact would be on the rate payer and tax payers because that was not the charge by the Legislature. Ms. Patten was hoping the Commission will be able to determine if the formulas can be used. The first one is the weighted average of net book value and original cost which was the 25 net book and 75 original cost. The ASB had information from Unitil and the Coop.

The ASB had a Utility Sub-committee that worked with assessors, municipal, DRA and the Chair as a public member. The MS-1 is a report that the municipalities put together of all assessments less current use values. The sub-committee decided to take the average of the residential and commercial properties on the MS-1 and apply the formula they would come up with the assessment of the use and occupancy of the public way; then for the private rights-of-way, the MS-1 was used for the basis for the average; for the land in fee the MS-1 was used for the average value per acre by using the commercial and residential average to be used as primary use land. It was discovered that utilities could not put land in current use but the Commission will look into that more.

Mr. Hamilton stated the MS-1 report is submitted to the DRA every year and it summarized the local assessed value of all of the property in every community in the state. Mr. Hamilton handed out a copy of a 2017 MS-1 report stating the relevant information is on page 2. The MS-1 report summarizes the value of all residential land and all commercial/industrial land and provides the number of acres assessed in each one. That is an important factor because one way to consider the value of the occupancy of a right-of-way of defacto easement in the public right-of-way is to apply what's known as an across the fence methodology. In thinking about the value of that occupancy of, the public right of way, you imply a value by looking at the value of what is across the fence from it in the private land. By relying on an average value of all of the property in the community that is assessed as residential and commercial/industrial while excluding current use valuation you are able to imply an average per acre or per square foot value for the community in each community. The sub-committee recognized that every community is different and they wanted to be able to come up with a formula that would recognize those value differences in the various communities. It approximates a valuation technique across the fence for those rights-of-way and it uses as its basis and foundation the local assessment of property. Chair Abrami stated that he agrees that it can be rationally argued that there is a difference in value of land from community to community but the value of home or any other asset *doesn't vary much from community to community and a uniform approach to value that may make sense but the land is different. We will have to test the methodology but it is a good start. A member said he understood that on the MS-1, use lines 1f and 1g for both total acreage and total value. Mr. Hamilton stated correct. In doing that you come up with a weighted average which not only represents the value of the land but also the composition of the use of land within the community. In a community like Manchester or Nashua where around 40% is commercial/industrial and 60% is residential there is going to be a different weighted average than Acworth that has a very low commercial/industrial and a very high residential value. That complexity can be built into the formula.*

The Chair added an administrative piece that this meeting does not have a clerk taking minutes but it is being recorded and the DRA will be creating minutes.

Mr. Hamilton continued. The use of the occupancy of the right-of-way, the DRA is taking the average value of the MS-1 and converting it into a per-mile or per-linear foot value for that occupancy. One of the ways you can look at that is theorizing that the occupancy of the right-of-way is approximately a 10-foot use of the right-of-way but not dedicated to that particular utility so there is a slight and occasional use of that right-of-way and applying to that ten foot use and occupancy of the right-of-way, a factor of 10 percent of that would resolve in a one square foot or one linear foot value for that use of the right-of-way. So it is 10 percent of theoretical ten foot wide occupancy.
The formula the ASB came up with tries to make that as simple as possible for having a simple number that can be applied against the number of miles of public right-of-way occupied is the simplest way and that simplicity is consistent with the 21 guiding principles that the sub-committee came up with so a local assessing official can take that number of occupied public right-of-way and that can be inventoried to the town on an annual basis by the utility so the utility can declare how much of the public right-of-way they occupy and they can apply that formula pretty readily. Chair Abrami asked Mr. Hamilton to go over the formula again. Ms. Patten added that the number of miles of public right-of-way in the formula is derived from DOT broken into State and Town roads. In some towns where there are two different electric distribution companies so there will have to be some duty to inventory the portion of the right-of-way that they occupy. Mr. Bartlett stated that the responsibility of reporting occupancy will probably not be solely on the backs of the Utility; the Town will share in that responsibility as well. He added that once the number is determined, it should not change much from year to year unless a road is added. Chair Abrami added that each of the towns and cities in the state are all keeping their books a little different in terms of inventory and this may force a uniformity of trying to do things the same so we are assessing the same.
Mr. Hamilton was asked how utilities are taxed as opposed to Commercial property. Mr. Hamilton explained. A discussion ensued regarding this issue.
Chair Abrami asked if the formula would replace the current right-of-way practice. Mr. Hamilton stated that this would create a uniform system for the regulated distribution companies to be assessed the value of their occupancy of right-of-way in every community. This will provide a much better uniform application of a valuation in the occupancy of right-of-way, better for the community and the tax payer. It will not uniformly apply to non-regulated telecom and communications companies so the towns will have to confront that part of the uniformity at some point.
Mr. Hamilton was asked to tell what the process is and how the towns provide the information to the Department and the amount of time it will take. Mr. Hamilton stated that every year by September 1st, all of the municipalities summarize the values of the local assessments of property. This value becomes the foundation of the calculation of the local property tax rates for the communities. The basic calculation of a tax rate is the amount of money that needs to be raised and appropriated divided by the local assessed value. The valuation on the MS-1 is as of April 1st. A public right-of way is along the roadway. The land is taxed as well as the pole. In the case of electric distribution, we are taxing the wires, the crossbar, the support equipment, any switching, circuit breakers, transformers, and metering equipment. All of that is taxable by law as real estate for electric distribution, water distribution and other limited distribution. The utilities have the right to prevent other uses. They control who gets to be put on the pole and what happens under the lines. The town/state owns the right-of-way and there are pole license agreements that are required to be issued from the towns to the utility company.

The second formula is a private right-of-way over a private property. That would be calculated using the same average value per acre from the MS-1 and calculating that into a per square foot cost by dividing the average per acre value by the number of square feet in an acre times the length of the right-of-way times the width of the right-of way times a factor of 0.15. The factor of .15 is recognition of where the right-of-way is not a complete occupancy of the property. The primary owner of the land still has rights to use it. 10 percent seems to be appropriate for the public right-of-way and 15 percent of the private right-of–way against the full width of the right-of-way is the appropriate way to consider it because it is not a full right of occupancy of the property. There was some continuing discussion about how towns are discounting properties with easements and how this formula will help make that process easier and more uniform.

Mr. Hamilton stated that lastly they confronted the rare situation where land is owned in fee by title or deed. A utility company will own the land outright still subject to regulation by the PUC but necessary to come up with a methodology to value it. The recommendation was that the average value per acre should be used for land that is used for the regulated distribution of that company. As Ms. Patten stated, if a property is large and has a small substation or service garage or another building or use, it should be valued at the average acre value and some method to allow excess land to be valued as excess land should be contemplated. The committee did not come up with a resolution as to how that should happen. They thought it could be placed into current use or maybe another section of law similar to current use but dedicated to the regulated utility companies. The simple premise that the utility properties should be allowed to be owned by the utility companies the same way all of us own land in excess of ten acres which is some dedication to maintaining open space.

A member spoke of an example to change from abstract example to a concrete one. One of PSNH's ten regional offices or a substation that occupies 4 acres out of 25 acres of land and his reaction is that that makes sense to treat the 4 acres that is used for regional office or substation as property that is similar to commercial and industrial property and that should be assessed by the local assessors because typically it would be in a single jurisdiction. Mr. Hamilton stated that what is missing is the in severability from the rest of the system. Even though it may look like it is standing alone, it is part of the regulated system and therefore it is in severable from the system and the cost of the building would be included in the net book value and the original cost waiting for the improvements. The member asked if Mr. Hamilton was looking for a way to spread the value of that regional office over a larger group of towns? (SH) No, the weighting of the net book value and the original cost tries to bring home to that community the relative weighting of that value in that community. This is a way to recognize some element of the land value that the building will sit on in the locality. The land value will not be spread across the communities, it will be directed to that community. For clarification a member asked that if PSNH owns the regional site in any town, that is a four acres site, that it will be valued as a commercial site. If the site is 25 acres, the 4 acres used is the commercial and they have the right to place the remaining land in current use so they get a break on the tax. If they have to expand the building using two more acres, they will have to pay the LUCT on the two acres but it is town specific value of their commercial value. (SH) No, it is that average value for the MS-1 reflecting both the residential and commercial for there is nothing that determines the location of that land owned in fee is necessarily a commercial location. In many cases it is a residential location and it also stands to reflect the balance of residential and commercial in that community. As follow up a member stated that the weighted average makes sense for the fee owned rights-of-way for they own the dirt of the strip but if it is a building or a substation, like the NHEC property on Rt. 25, it is called the Center Harbor substation, but it's in Moultonborough that is surrounded by commercial restaurants and offices on Rte. 25, that is commercial property for that town. Why would that use not be taxed as a commercial use in that zone? (SH) Because of the fact that it is burdened by the regulation and is not available for sale the way any other commercial property would be. The difference between any other commercial property and this regulated property, it's the regulation that first has to be confronted. The fee owned land might be located on a commercial strip in the community, it may be located in a residential location as well. Mr. Bartlett stated that fee land should be assessed by the local assessor based on whatever formula they are using for abutting properties. As an example, in Goffstown there is a four acre parcel of land with a substation on it valued around 400k. Then there is a 25-acre parcel located in a residential area that is not in current use, it also has a substation on it. It is also valued at 400k. The reason is that they are both being used the same, in different locations with a higher value *of land on the 4 acre parcel. If they are to be valued using a formula the assessor will not be able evaluate the unique differences between each individual piece of land. In regard to office land that could be sold as an office, should that be part of this formula? It should be clarified. Chair Abrami said they would discuss that. A member said that he wanted to make sure he was clear that they were talking about just the value of the land that underlies whatever is built on top of it; whether it is an office or a substation or whether we are also including the improvements to the land. There is a distinction between an office building and an electrical substation. You would think that the value of an electrical substation in Goffstown is going to be similar to a similarly sized and functioning substation in Tamworth. But an office building could be quite different and it makes a difference if it's in the middle of an expensive strip of commercial property, whether it's a two-story brick building of 6 thousand square feet or whether it's sited off on a rural road and it's a single-story framed building of 2 thousand square feet. In the latter case, that valuation should be assessed by the local municipal assessor. There is an argument that for purposes of the electrical substation, there should be some relationship between the value of a similarly sized and similarly functioning substation in Tamworth and Goffstown. Chair Abrami stated that they would continue the discussion on that issue. Mr. Hamilton said there is basic uniqueness of the two things, the use as a substation vs. the use as an office building but there is one common element and that is it's regulated by the PUC in the same way. The PUC regulation is an exercise of police power by the State of New Hampshire limits what you can do with the property. It makes that property unlike any other property in the community because the utility can't say we're done and we're going to sell it. It doesn't mean they can't divest themselves from it but here is a regulation that has to be applied to it and it makes even that office building different that other office buildings. If we can figure out how to back out the value from the net book value and the original cost because that's all included in the inventory of net book value and original cost for the improvements and then figure out what the adjustment factor needs to be against the whole thing to compensate for the regulation of the property for the fact that the owner can't simply divest themselves, they have to go to the PUC and get an order to allow for that divestiture. If we consider all of those elements we can wind up at the right place but that might be making it more complicated.*

A member asked if there was a single entity that sets the value of a utility or is it the sum of every place that they provide service? (SH) Currently it's municipality by municipality. It's whatever the municipality thinks the value of that distribution is. So Eversource is going to be sold so we would have to somehow get the values from our communities to determine that that was part of the value of Eversource as a company? There was a discussion about how the value would be determined including what the buyer would be willing to pay and the market value. The formula used on rights-of-way where the average value per acre varies from town to town, how do you say that that is uniformity when you are providing the same service. Mr. Hamilton explained that the Department and 37 other states value this type of property. We value the unit, the entirety and then we allocate value to each of the communities based on the pro-rata share of the original cost of the investment because theoretically, it is a unitary value of this whole property. That's the application of a unit approach. A member asked why should electricity be worth more in Salem than it is in Acworth? (SH) All of those questions lead us back to the unit approach which is what the original HB324 was which is the application of the unit approach and then allocating it out. That is what the Department does and the ASB examined that and stepped away from it because it doesn't recognize the local variation in value which is better that looking at just the unit value allocated. It appears to be a New Hampshire solution rather than a universal solution. In this case we are recommending a locally applicable formula that can be calculated by each municipality and integrates in some of the local valuation to recognize the value differences between some place like Salem and Manchester and all of the of towns that are in between.

Ms. Patten said that this is complicated and the ASB broke it down into as small pieces. When we give our recommendations it is not written in stone. The commission may need to tweak but if we can stick to the philosophy of it and then do an analysis of it. We need to be able to get it so that local assessor can do this.

Senator Daniels said that this is a topic of litigation and has been for decades. A series of court cases that went to the Supreme Court that specifically examined the veracity of net book valuation which is what the companies like because that's a low valuation. The issue is that the BTLA said that it penalized municipalities for things like the scrubber on top of the Merrimack Station or the value of the hydro-electric dams that are in communities, that's a value that is spread across the entire system. Other jurisdictions primarily in the West have the unit method *centrally located within the state or the county. They do not have pure property tax generation of their state income. They have income tax and sales tax so for them it's a smaller piece of their pie. He hopes for a grand compromise in which you come in and have a resolution. The old cases go away. The pending ones go away. We have this method coming forward that we can use as a municipality. A pole installed in 1972 cost $300. If that pole were put in tomorrow would cost $4000. That's the evaluation of original cost that trends over time. Net book is whatever that original cost less the accounting appreciation that the company is allowed to impose as a result of PUC's regulation of PSNH. That can be on a scale that has not necessarily tied to the life of that pole.*

Mr. Hamilton added that the weighting of net book value and original cost accomplishes much of the protection against any piece of the system depreciating down to zero and that was by design. It is one of the guiding principles to make sure that it doesn't depreciate to zero.

Mr. Bartlett commented on Senator Daniels concern about how the land values would be different from community to community. The committee did discuss that and for the land values it should be based on that community. When you look at the total value of utility properties, the vast majority of it is in the first formula which is the physical property. Physical property is based on original cost. The original cost of a pole that is put in in Pittsburg will be almost identical to the original cost of a pole put in in Manchester even though the land value will be considerably different.

Chair Abrami stated that when we talk about utilities and we talk about if they don't like it or they do like it, it's really the rate payers we're talking about because all of these costs are passed through in the formulas.

A member stated that the courts and the BTLA have been dealing with at least five different ways of valuing utility property and our job it to try to simplify that. Those five different ways include original cost, net book value, reproduction cost new less depreciation, replacement cost new less depreciation, and comparison sales which do not come up very often but when they do it is an occasion for resetting the value of the system. It is worth keeping in mind that sales value is one indicator of value. For the vast majority of properties, sales comparisons will not be as useful as original cost or net book value. If sales comparison is available is should trigger a reset, but for the rest of the time if the commission can come up with a fairly simple, fair compromise that helps to get to a uniform way to value poles and wires and other things that are seen in many communities that ought to be valued in the same way.

Ms. Shapiro asked if the recommendation was that all of the utility costs are considered together, not treating the building separately and it is only the land that is pulled out and treated different. So the buildings, transformers and wires are part of the recommendation of net book, regional cost and some combination. Then the land is separated out and you come up with these recommendations. So the utility commercial building will not be on the MS-1 as C/I. It will show as utility. The land is the part that is broken into the three parts; private, public rights-of-way and fee simple. Was there a thought to pull land out and not come up with a formula? Why should there be a formula?

Mr. Bartlett stated that the land that is owned by utilities was mostly purchased in the 1920's and 1940's and may not have had a purchase price. A right-of-way may have been granted for free electricity. So there is no value. In some cases the rights-of-way is a significant amount of land and if you were to use the official cost you would be adding less than current use value. Goffstown has three substations. They don't just serve Goffstown. The original cost of land is zero. There is value to the company.

Ms. Patten said that in Telecommunications they addressed everything but the land and the litigation still went on. This was a compromise. All of the aspects need to be addressed so when the legislature comes to a solution, the court can say this is how it was applied and we agree or we don't agree.

A Member asked for clarification of what is included in the Assessing Standard's Board recommendation under physical property. Should the EG after physical property also include buildings as an improvement? Are we distinguishing between certain kinds of buildings? The office buildings might be thought of as commercial property but a substation is more like fixtures, poles, wires and pipes subject to a uniform valuation that would be allocated among the towns.

Mr. Bartlett stated that there may be some confusion about office buildings but substations are part of the formula. Anything that is used as part of the transmission or distribution of electricity is part of this formula.

Chair Abrami stated he was pleased with this meeting. He suggested meeting every other week going forward.

Next Meeting
August 28, 2018 at 8:30 am
September 12, 2018 at 8:30 am

Respectfully submitted,

Renée Fisher
Municipal and Property Division
NH Department of Revenue Administration

All meetings are recorded and available upon request.

Documentation relative to the Commission to Study Utility Property Valuation may be submitted, requested or reviewed by:

Telephone: (603) 230-5096
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E-mail: asb@dra.nh.gov

In person at:
109 Pleasant Street, Concord

In writing to:
NH Department of Revenue
Assessing Standards Board
PO Box 487
Concord, NH 03302-0487

Commission to Study Utility Property Valuation and Recommend Legislation to Reform the Current System of Taxing Utility Property in New Hampshire

DRAFT

DATE: *August 28, 2018* ***TIME***: *8:30 a.m.*

LOCATION: *Legislative Office Building, Room 202, Concord, NH*

BOARD MEMBERS
(E) Excused absence

Jonathan Giegerich- Electric Utility
Scott Bartlett - NHAAO
Peter Fauver – Retired Judicial Member
Betsey Patten - ASB Chair
Senator Gary Daniels - Senate
Chairman Patrick Abrami – House Ways & Means
Representative Howard Moffett – House Science, Technology & Energy
Stephan Hamilton, NHDRA
Lisa Shapiro – Gas Utility
Tom Thompson - ASB
Chris Boldt – NHMA

MEMBERS of the PUBLIC

Chair Abrami convened the meeting at 8:30 a.m. and welcomed Jonathan Giegerich who was did not attend the initial meeting. He introduced himself and told the board a bit about himself.

MINUTES

The minutes were not completed in time to circulate prior to the meeting therefore copies were given out. It was unanimously agreed to approve the minutes at the next meeting.

Agenda item 1: *Availability of data to measure the impact of the Commission's solution.*

Mr. Giegerich discussed how the utilities are billed and what is included on a utility tax bill. He agreed that both the municipality and the Utility should be involved.
Mr. Thompson added that everyone can access their property record cards (PRC's) and they contain all of the data that is used. There was a discussion regarding how the towns handle the information on PRC's. Mr. Bartlett said that they could get 90-95% of the value, not including the land by looking at the improvements. Mr. Hamilton said there are multiple sources of data including the taxpayer but that all of the information would not be available in one source. He asked the utility members what might already be available and what would need to be done to generate additional information. A discussion ensued regarding this. Ms. Patten indicated that when they came to a resolution they may need to make an adjustment for NHEC because they are not regulated by PUC. Mr. Moffett suggested that the commission determine if certain categories of land will be taxed and worry about the data collection at a later time. Mr. Hamilton offered that his opinion of priority is occupancy of public rights-of-way. Mr. Bolt expressed concern about adding land into net book original cost calculations. There was a discussion regarding this. At the previous meeting it was agreed to keep that land value separate and using the MS-1 formula for that. After a lengthy discussion, Chair Abrami asked the utility companies get back to the commission regarding the reasonableness of providing information on miles of public right-of-way and private rights-of-way, by town for their companies in time for the next meeting. Mr. Hamilton stated that he thought it was important to repeat the ASB's request to the utilities to provide the net book value and original cost information broken down by town for the

impacted companies. Chair Abrami said that he would make a formal request of all the utility companies because not all of them are represented here.

Agenda item 2: *What is the impact of a sale of a utility on the proposed formula regarding original cost of land? Mr. Giegerich explained how the PUC is involved making sure there is no harm to rate payers. In a sale, the net book value is preserved because that is what is used to determine the distribution rate. Because of that, he felt that a sale would not skew the formula. Ms. Shapiro talked about the three approaches to value. The recommendation of the ASB was to use the cost approach. She asked if the Commission should reconsider sales and income approaches or will they be continuing on the ASB recommendation. Mr. Moffett also questioned this issue and asked for some clarification and for a discussion about the various ways the courts view this and why the ASB did not incorporate the other methods.*

Ms. Patten, Mr. Hamilton and Mr. Bartlett proceeded to explain the process the ASB went through to get to the recommendation and the variations of opinions. Several members agreed that the ASB did the hard work and came up with a great recommendation that is viable. Ms. Patten explained that there are points and counter points to each method. The ASB tried to remove those. On fair market value, the ASB understands that they will not be able to come up with a fair market value. There are LIHTC and Current Use that are treated different than fair market value. Like Telecommunications, they have taken utilities out of fair market value. The recommendation is that information that you make your decision on for utilities is based on facts that you can prove. Mr. Bartlett stated that he does not agree that this should be called current use taxation and that the commission is trying to come up with a definition of what market value is for utilities. The current formula comes in about 25-30% more than book value. Mr. Hamilton stated that in general there is a requirement that property be taxed at the market value of its highest and best use. The NH Constitution was changed in 1973 to allow for the valuation at something other than the highest and best use and therefore we will use the term Current Use, not always in reference to the current use land assessment program but instead the current use of the property. It was suggested that instead of using the term current use maybe actual use could be substituted for clarity. Chairman Abrami summarized that no one is defending the sales or income approach and that the cost approach is the way to go. There was a brief discussion about how railroads are taxed in New Hampshire and if utilities could be treated the same way. Mr. Hamilton explained how railroads are taxed and how the money is allocated back to the communities. It was agreed that the charge of the commission with the bill that was passed was to use the ASB's recommendation as the starting point which took the sales and income approach off the table.

Agenda Item B *How to treat utility office buildings and what constitutes a utility office building. Mr. Bartlett stated that he didn't think it was an issue because they are treated as office buildings and are usually leased and taxed accordingly. Mr. Giegerich agreed. Mr. Hamilton said that information should be asked of other utility companies during the collection of the data.*

Agenda Item C *The offset of taxes to private land owners. Mr. Bartlett said that it does not concern this commission, however if the commission comes up with a formula to assess private rights-of-way then they should recommend that the ASB come up with a standard that addresses the impact to property owners affected. Mr. Hamilton said that when the report is finalized, if there are things like this they might be called impact recommendations so if there is a broader impact to individual private property owners, that should be included in the report to have the Assessing Standards Board law reflect a desire to study and report on that or any other miscellaneous impact found.*

Next Meeting
September 12, 2018 at 8:30 am

Respectfully submitted,

Renée Fisher
Municipal and Property Division
NH Department of Revenue Administration

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Commission to Study Utility Property Valuation
and Recommend Legislation to Reform the Current System
of Taxing Utility Property in New Hampshire

DRAFT

DATE: *September 12, 2018* ***TIME***: *8:30 a.m.*

LOCATION: *Legislative Office Building, Room 202, Concord, NH*

COMMITTEE MEMBERS

Representative Patrick Abrami, Chairman – House Ways & Means
Representative Howard Moffett – House, Science, Technology & Energy Committee
Senator Gary Daniels – Senate
Stephan Hamilton, NHDRA
Scott Bartlett - NHAAO
Tom Thomson – ASB
Jonathan Giegerich - Unitil, Gas Utility
Peter Fauver – Retired Judicial Member
Chris Boldt – NHMA
Betsey Patten - ASB Chair
Lisa Shapiro – Electric Utility

Chair Abrami convened the meeting at 8:30 a.m. and requested people identify themselves for the record before speaking.

MINUTES

The draft minutes of the August 14, 2018, meeting was discussed and the following edits requested:

Add line numbers to better clarify where edits are made.

Page 1

- *Line 4 - correct time of meeting from 9:30 to 8:30*
- *Line 6 - change BOARD MEMBERS to*
  - *COMMISSION MEMBERS*
- *Line 8 – David Gray (for Jonathan Giegerich) represents Gas Utility*
- *Line 11 – Lisa Shapiro represents the Electric Utility*
- *Line 12 – correct spelling of Tom Thompson to Thomson*
- *Line 21 - capitalize Assessing Standards Board*
- *Line 29 - correct four year to 40-year*
- *Line 33 - correct reference to Utility's to utilities*
- *Line 36 - correct legislation to legislature*

Page 2

- *Line 59 - correct "live" path to glide path*
- *Line 70 – replace the word "weighted" with original cost*
- *Line 78 – replace "they" with the Commission*
- *Line 82 – correct ms-1 to MS-1*
  - *All references to the MS-1 were corrected*

- *Lines 85 and 86 – clarify the sentence “In thinking about the value of that occupancy, the public right of way you imply…” to In thinking about the value of the occupancy of the public right of way, you imply…*

Page 3

- *Line 113 – replace “we” with the ASB*
- *Line 130 – revise reference to “right-of-way” to current right-of-way-practice*
- *Line 133 – add telecom and communications before “entities”*

Page 4

- *Line 160 – correct “Madam Chair” to Ms. Patten*
- *Line 179 – correct sight to site*
    - *All references to sight were corrected*
- *Line 188 – correct Center Harbor “Wind” to Center Harbor Substation*

Page 5

- *Line 196 – correct 50 to 25 acre parcel*
- *Line 248 – correct damns to dams*
    - *delete “t” after communities,*
- *Line 249 – delete the sentence “New Hampshire does not tax based on locality”*

*Mr. Hamilton **moved to accept the minutes of August 14, 2018, as amended**; **seconded by** Mr. Bartlett. Chair Abrami called the motion. **Motion passed unanimously.***

On the contact information sheet, Mr. Bartlett noted it referenced him as representing “Chapter;” he clarified he represented the NHAAO, New Hampshire Association of Assessing Officials. He added it is correct in the minutes.

Chair Abrami stated the draft minutes of the August 28, 2018, meeting were just received and to give the committee members time to review they will be discussed and voted on at the next meeting.

Chair Abrami started the meeting with the idea of neutrality in the valuation of rights-of-way. Some towns value them using various methods; some towns do not value them at all. He noted more assessed value means more costs to utilities which in turn are passed on to the rate payers. The five variables considered in the utility valuation discussion have been net book value, original cost, public and private rights-of-way and land owned in fee. As the communities are assessing these five variables using different methods, Chair Abrami suggested beginning the analysis by applying the numbers received into the formula to provide a starting point. The values produced by the formula can then be compared to current assessed values. The objective of the Commission is to find a resolution that is fair to the communities, tax payers and rate payers and at this time, nothing has been agreed upon.

Mr. Bartlett expressed concern with the lack of information received and the ability to complete the task by November 1. He suggested considering this a work-in-progress and to move towards the 7-year glide path previously suggested. It is difficult to solve a 40-year issue in 2-3 months however if a formula can be established with the intent of revenue neutrality and is reasonable, it can be revisited year-to-year as necessary to get it right. There will be unintended consequences that will need to be addressed as well once in practice. The term of the glide path was clarified to be 5-years.

With the limited time table, Chair Abrami stated the Commission will go as hard as it can until it is determined a rational conclusion cannot be achieved in two months; if that happens one option might be to extend the Commission. He suggested following through with the time they have, review the numbers, and see what they can accomplish. Ms. Shapiro made the point that the ASB provided a recommendation without financial impact. She felt the 5-year glide path was a good starting point but suggested waiting to see what the numbers were before deciding. With the preliminary numbers from the Co-op, there were significant outliers in either direction and those *will need to be considered when determining the appropriate time-frame. Mr. Hamilton agreed there is disparity among communities due to the various valuation methods being applied. The DRA (Department of Revenue Administration) has the values assigned in each community and the equalization ratios which may help to understand what the formula would be when numbers are applied. He added he did not think tax impact neutrality was a fair goal to set. A game stopper might be to go through the analysis and find a significant increase in tax burden.*

A brief discussion pertaining to the impact of the Bow case followed. While the type of utility is not relevant to the discussion, the impact on the community, tax payers and rate payers is. Mr. Thomson expressed concern about this happening in other communities if this issue is not solved and asked how the disparity in assessed values became so significant. One explanation offered was the assessor is considering the value of a small portion of a larger property and there is no market indication to gauge how their method is working overall. Another reason offered was the legislature has not given guidance to assessors to value utility property and traditional assessing methods are being used for a very different type of property. Mr. Bartlett added there is a general disagreement among utility appraisers about how to appraise utility companies. One of the fundamental differences is whether or not the business value is considered. Pertaining to the disparity, he is concerned about the towns and rate payers paying for the lawsuits and it is why he believes legislation is needed now to begin using a uniform method and adjust, as needed, going forward. Through a review of 2015 BTLA decisions, Mr. Boldt offered a key factor or difference between the municipal versus utility approach to value was how depreciation was treated. It is a driver of net book value but it was also considered by the utilities an expense against income.

Ms. Patten reiterated the ASB's process and intent was to find a reasonable solution by removing opinion and using information that could be proven such as net book value and original cost; it was not to analyze the effect. She suggested working towards retrieving and analyzing the data from the utilities and determining the known factors to alleviate disputes.

Mr. Hamilton provided a brief explanation of the five variables in descending priority. The first and second variables are the use of net book value and original cost. The proposed formula controls the arguments about depreciation and does not allow a value to depreciate to $0. The third variable is the occupancy of the public right-of-way. There is no consistency in the way communities are approaching this value creating a wide divergence. This is a relatively small percentage of the total value but is an important principle and easiest to achieve with this formula. The fourth variable is the occupancy of private rights-of-way or easements; a difficult number to understand and possibly to receive from utilities. And the final variable is land owned in fee which may be similarly difficult to understand and receive.

Incorporating all five variables into one formula will be difficult however to proceed with a formula to value the first three variables, the glide-path will do two things; it will provide for a weighting of the result for a transition of tax burden for communities assessed high or low and data to populate the model. The occupancy of the private right-of-way or easement and the fee owned land will continue to be valued as other property until information can be gathered and then incorporated into the formula. Those are the two most difficult variables for towns and utilities to gather information for. It was suggested to continue with the effort to supply and receive the information for all five variables and depending on the progress of the next few weeks, it will be determined if more time is needed to complete the work on those two variables.

A discussion followed about the availability of the fee land and occupancy of private rights-of-way information. Ms. Shapiro stated the information is available but there are complicating issues and it may take more time to gather and organize the data into a usable format for the formula. Unlike net book value and original cost which are kept in spreadsheets, the land owned in each community may not be as organized and a town assessment may have only one value which will then need to be separated out for each variable. She then asked the following questions: 1.

Will the formula be applied to all ownerships within the public right-of-way? 2. Will the valuation of private rights-of-way affect the number of abatements filed in a community and offset the revenue? 3. Will the DRA continue to assess utility property under RSA 83-F or would they use the new formula?

In response to the third question, Mr. Hamilton stated this process will not impact the valuation of property under 83-F. Currently the 83-F value is used within the process of equalization as instructed by the Supreme Court. If a formula is developed, the ASB subcommittee on equalization has recommended the equalization process switch to this kind of formula to be consistent. If that happens, then 83-F will be removed from the local valuation issue but will continue to apply the state education tax to the utility companies in the manner it was designed.

In response to the first question, above, Mr. Bartlett stated he could not speak for the legislature and what they will determine but as an assessor, he does apply the same method to all occupiers of the public right-of-way. Pertaining to the second question, he stated he does not think it should be a consideration of the Commission because it is an individual valuation issue. Some easements have significant value reductions based on how the land can be used and others have no value. He added he does not believe it will be an abatement issue for towns. Mr. Hamilton added due to multiple occupancies of a right-of-way, there may be other factors, including laws that have an impact on the value.

Mr. Hamilton reported that a request was made on behalf of the Chairman to the following utility companies: Liberty Electric and Gas, Liberty Gas Keene, Pennichuck, Eversource, NH Electric Co-op (NHEC), and Unitil Gas and Electric. The request included the following information: original cost and net book value including and excluding land costs by town, original cost and net book value of any contributions in aid of construction (CIAC) by town, actual length and width of private easements, miles of wire and pipe in each town, and actual acreage of land owned by title or deed in each town. NH Electric Co-op has provided information and is continuing to gather the private easement and total land acreage data. A positive response has been received from the other utilities that they will be able to provide numbers to be responsive although all were concerned about the availability of records to meet the last two items. The working group has not yet convened but he expects a meeting in the near future and they will have the NHEC records to look at. Mr. Bartlett asked if construction work in progress (CWIP) was requested. Mr. Hamilton replied it was not requested. It is not a static number that could be analyzed and he felt the information requested would provide the basis for an apples-to-apples comparison.

A brief discussion followed about CIAC and an example given. When a developer builds a subdivision, they might install elements of what will become a public distribution network; they pay for it and then donate it to the regulated utility. The regulated utility accepts it and delivers their services through that property. From a regulatory standpoint the utility cannot earn a rate of return on an investment they did not make and therefore do not carry it as net book value. Mr. Hamilton added once the working group has the data they will see how those elements are reported and determine the usefulness of it or if additional data is needed for clarification.

Mr. Hamilton continued. A spreadsheet was developed during the work of ASB subcommittee. It may need to be expanded to integrate some of the land information but it illustrates what the value would be over a period of 5-years for every community and the weighting of the formula may be changed to test the sensitivity of the results. The actual occupancy of public right-of-way may need to be substituted with miles until the numbers can be determined or refined but the total mileage he feels is a good proxy to begin with.

Chair Abrami asked for a percentage estimate of the total value the land in fee and private rights-of-way might be. Mr. Hamilton estimated less than 5% of the overall value and in many individual communities less than 1%.

Chair Abrami recognized Mr. Sansoucy.

Mr. Sansoucy stated his company keeps records on land and land rights and their costs for utilities in New England. For gas, water and electric utilities it will be a maximum of 12% of the total value and an average between 6-8% on a town and utility-wide basis for all land and land right values for all types of utilities; on a book basis, it will be below 4%. It is reasonable that it will be below 10% or less in the worst case.

Chair Abrami asked Ms. Shapiro how quickly Eversource could provide their records. She indicated pretty quickly as they have the records to separate out transmission and distribution assets however they will need to make sure they match the town's assessment records. The difficulty will be in those towns that report one number for the distribution and transmission and do not separate them out. Mr. Hamilton added that due to the divestiture, there will be some communities where an apples-to-apples comparison cannot be done so they will need to find the ones they can to use as an example of what to anticipate within the rest of the communities.

A discussion followed about gas and water and whether or not it would be beneficial to hear from some of gas and water companies. It was stated Mr. Giegerich represents a gas utility. The members felt hearing from a water utility would be helpful. Ms. Shapiro indicated the general counsel for Eversource had questioned whether the information request was for Aquarion, which was recently merged with Eversource. If the request did include Aquarion they would gather the information. There was a representative from Pennichuck in attendance and she stated she would bring the request from the Commission to the company.

Chair Abrami recognized Mr. Sansoucy.

Mr. Sansoucy stated Pennichuck has the best records in the state include CIAC, CWIP, and land by community. He added a water utility will not fit into a formula for gas or electric because there is so much contribution, state grants, and other types of money provided by the communities and Pennichuck that are not necessarily dollars invested. For example, 50% of Pennichuck East in Pittsfield is under state grant so the book value would be much higher than the actual value. The Commission members felt it would be important to hear from Pennichuck and to include them in the process.

Chair Abrami stated this meeting and the next couple meetings will be the time to speak on the variables as the analysis will begin on at least the original cost, net book value and public rights-of-way. He added that the ASB through their work did conclude these were the best set of variables to use because they were known and could be proven. A request was made to identify the members of the technical working group and to see if there was a timeframe as to when they would be meeting to begin analysis.

The technical working group consisted of Mr. Hamilton, Mr. Bartlett, Mr. Giegerich and Ms. Shapiro. Mr. Hamilton stated he does not believe this will be a lengthy process once the information is received and is hoping to meet early next week and present an intermediary report of their progress at the next meeting. He was hoping to have the information by the end of the week in order to stay on track.

Mr. Sansoucy inquired if the Commission would be hearing public testimony. He stated he represents about 80 communities and would like the opportunity to present the opinion of and fact from the various communities for consideration. Chair Abrami responded the Commission should hear from Mr. Sansoucy and for clarification asked who would be presenting, the communities or himself. Mr. Sansoucy indicated he would be presenting for all the communities he represents.

A discussion followed about the length of the Mr. Sansoucy's presentation, a meeting date, and if the working group's information should be made available to the municipalities so they have an opportunity to comment on it. Mr. Sansoucy stated he did not need the working group's information as he already knew the numbers that would be coming in. Ms. Patten responded that while he may know the numbers, the Commission did not. She added the

ASB did hear multiple presentations from Mr. Sansoucy and the 80 municipalities he represents. Representative Moffett suggested a date of October 16 as this would allow the Commission and everyone else time to get familiar with the working group's numbers. Chair Abrami confirmed the meeting will be on October 16 and that it will be a 3-hour meeting; Mr. Sansoucy would be allotted 1-hour for his presentation. The question was raised if others would be able to comment at the meeting. After a brief discussion, and to be fair and transparent, Chair Abrami stated it will be posted as an open meeting for anyone who wants to testify and noted depending on the number of speakers, Mr. Sansoucy's time may get limited from the hour. Mr. Bartlett stated this process has been built on listening to various views through meetings and public hearings and was in favor of the open meeting. He did express the hope that those who testify focus on the current topic. Chair Abrami agreed the focus of the public testimony should be on the model being implemented.

Other Business

Mr. Hamilton suggested the members begin to think about the drafting of the report of the Commission and for that to be added as an agenda item for the next meeting including who will be drafting that report and how will it be structured. Chair Abrami did not envision a long report but that it should include the key principles and what the members feel should be in legislation. Mr. Hamilton invited the members to think about how the report may become a statement of intent for legislation as the Commission members have the benefit of examining this deeply and the legislature that receives the report will not have that same experience. Chair Abrami will add to the next meeting's agenda.

Next meeting

Tuesday, September 25, 2018 at 8:30 a.m. at the LOB, Room 201.

Meeting was adjourned.

Respectfully submitted,

Stephanie Derosier
Municipal and Property Division
NH Department of Revenue Administration

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Documentation relative to the Commission to Study Utility Property Valuation may be submitted, requested or reviewed by:

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Assessing Standards Board
PO Box 487
Concord, NH 03302-0487

Commission to Study Utility Property Valuation
and Recommend Legislation to Reform the Current System
of Taxing Utility Property in New Hampshire

DRAFT

DATE: *September 25, 2018* ***TIME***: *8:30 a.m.*

LOCATION: *Legislative Office Building, Room 202, Concord, NH*

COMMITTEE MEMBERS

Representative Patrick Abrami, Chairman – House Ways & Means
Representative Howard Moffett – House, Science, Technology & Energy Committee
Senator Gary Daniels – Senate
Peter Fauver – Retired Judicial Member
Stephan Hamilton, NHDRA
Chris Boldt – NHMA
Scott Bartlett - NHAAO
Betsey Patten - ASB Chair
Tom Thomson – ASB
Lisa Shapiro – Electric Utility
Jonathan Giegerich - Unitil, Gas Utility

Chair Abrami called the meeting of the commission to study utility property valuation to order at 8:30 a.m.

Minutes of September 12, 2018

Chair Abrami requested the minutes reflect the meeting scheduled for Tuesday, October 16, 2018, at 8:30 a.m. to accept public comment.

*Ms. Patten **moved to approve the minutes of August 28, 2018**. Mr. Boldt **seconded the motion**. Discussion. Mr. Boldt noted his name was misspelled. No further discussion. Chairman Abrami called the motion to approve the minutes of August 28, 2018, as amended. **Motion passed unanimously.***

Minutes of September 12, 2018

*Mr. Boldt suggested the following change to clarify the comment on page 3, line 109, "value but it was also considered **by the utilities** an expense against income." No further discussion. Mr. Hamilton **moved to approve the minutes of September 12, 2018, as amended**. Ms. Patten **seconded the motion**. Chairman Abrami called the motion to approve the minutes of September 12, 2018, as amended. **Motion passed unanimously**.*

Presentation by Pennichuck Corporation Representatives

Chair Abrami welcomed and introduced Larry Goodhue and Donald Ware of Pennichuck Corporation.

Mr. Goodhue, Chief Executive Officer and CFO, began by identifying three of the five regulated subsidiaries of Pennichuck Corporation: Pennichuck Water Works, Pennichuck East Utility, and Pittsfield Aqueduct that serve customers in 30 different communities in NH.

Mr. Ware, Chief Operating Officer for Pennichuck Water Works, Pennichuck East Utility and Pittsfield Aqueduct Company, added these are the regulated utilities impacted by the current utility tax.

Mr. Goodhue began by thanking the Commission for the opportunity to speak to them about how a regulated water utility may differ from other public regulated utilities, most importantly by providing something very important to public health and well-being as a public water supplier. Of the handful of non-municipal water districts in the state, Pennichuck is the largest regulated water supplier; others include Aquarion, Hampstead Area Water Company and Lakes Region Water to name a few, and in total there are about 20 companies throughout New Hampshire. Water utilities are unique for a couple of reasons. The first, approximately 50% of NH residents do not get their water from a public water company because they have private wells. Of the remaining 50%, approximately 80-90% of that 50% are served by municipal water districts that are not subject to the statewide utility tax or local property tax. Pennichuck serves customers in 30 communities ranging from North Conway to Newmarket to Milford, with the largest being Nashua. They provide water for both a service water source as well as a service water supply in Nashua and Pittsfield respectively, as well as having a number of ground water sources of water supply which is one of the key distinctions they wanted to speak about today.

There are two important factors. The first, if a town has a majority of people with private wells; those who are Pennichuck customers pay a higher percentage of their property tax through their water bills. Secondly, as a public water supplier, Pennichuck is subject to regulation by both the NH Public Utilities Commission (NH PUC) and the NH Department of Environmental Services (DES) including certain considerations relative to how water is sourced and protected. DES requires a sanitary radius around a well, which varies depending on the size of the well. A radius may range from 150-feet in diameter, which would require about 4-acres of non-disturbed land up to a 400-foot diameter requiring about 12-acres of land and because land is not sold in circles, many times more land has to be purchased to complete the radius. Whatever the size of the land, it cannot be used be used for anything other than the production of water for a public water provider. This is where current use comes in because in many cases, the number of acres needed is less than the 10-acre requirement of current use. The land cannot be used for anything else by applying the MS-1 value for this land, it creates a disproportionate value. Mr. Ware added there are approximately 80 wells in the state; 40+ lots that are somewhere between 4-10 acres. The land has to remain undisturbed and wells are typically located in the middle of forests or covered areas.

As a public water supplier, they must be able to provide services 24/7, 365 days a year and to do so, they maintain on-going infrastructure including replacement of water mains and upgrading pumps and facilities. They are always looking at better and more efficient ways to bring clean water to people. They are subject to the Drinking Water Act relative to regulation standards established and supported by the EPA as well as DES in NH.

They have had five abatement cases in the last several years; two settled, two accepted and one mediated. One important note is that the pass-through of those property taxes is significant for the ratepayers and the utility. Approximately 18% of the utility's revenues are generated in paid property taxes. It is very important as a regulated utility that there is certainty and predictability to how valuation is done. As a regulated utility, they don't set their own rates; they must petition the PUC, assert they have spent their money prudently and prove that there is a bonified reason for revenues to cover operating expenses.

Mr. Goodhue stated the information requested pertaining to original cost and net book values were available and would be provided. A discussion ensued pertaining to the availability of information for both public and private rights-of-way. Mr. Ware indicated the miles are known however identifying the public versus the private rights-of-way will require an effort but once completed the information will lend itself to the calculation of value. One concern was how the acreage would be calculated if the width of the right-of-way was unknown. Mr. Ware also explained they exist in a public right-of-way by what is called sufferance, meaning if they purchase a private easement and are later asked to move, the cost to move would be borne by the company not the community and that creates a challenge when trying to assign value. He reiterated the most important factor for both sides is predictability.

Representative Moffett inquired if there were width requirements for easements for waterlines in public roadways to construct and operate and provide maintenance and repairs and whether there were waterlines below or on top of other lines. Mr. Ware responded the location from other utilities is governed by both federal and state law, for example, there is a 10-foot edge-to-edge requirement from either a sanitary or storm sewer. There is no defined width from a gas company, but their internal standard is a minimum of 5-feet to allow them to get a bucket down between the two and sustain soil underneath the gas company. They also try to stay minimally 5-feet edge-to-edge from underground electric and telephone. With a private right-of-way, they typically ask for 10-feet on either side of the water main but within the public right-of-way, there is no defined width; they are given a defined area to be within and there may be regulatory separation requirements.

Chair Abrami asked what width they were taxed on. Mr. Ware stated a lot of communities are not currently taxing them on their use of public rights-of-way; in one community they are taxed on a 5-foot width and they are not typically taxed on the private rights-of-way as the property owners are paying the taxes. The company owns the water main that goes across private property from one street to another; they also own the service from where the water main is to the edge of the pubic right-of-way; from there, the property owner owns the service and is responsible for repairs and replacement.

Chair Abrami asked about other sources of water that might be used. Mr. Goodhue state Pennichuck has two surface water supplies which are the core system in Nashua where they draw water from the Pennichuck water system and the Merrimack River and the Berry Pond System in Pittsfield for Pittsfield Aqueduct. All other sources are either ground water, i.e. well source of supply or an interconnection purchase water situation where they purchase water from another entity. In both Nashua and Pittsfield, they own land in excess of 10-acres that are valued at current use. They maintain forested watersheds that are managed under 10-year forestry management plans and are also valued at current use. The dams that create the reservoirs are also taxed; their value is included in the original cost and net book value, as well as the pumping and treatment facilities. There are some storage tanks throughout the distribution system not located near wells, specifically in Nashua, that maintain water pressure and supply remote areas. The land is valued however there is no commonality as to how those values are determined from community to community.

Mr. Geigerich asked how much contribution in aid of construction (CIAC) Pennichuck had, how it relates to their regulatory proceedings and whether it was included in the rate base or cost of service. Mr. Goodhue stated they have a little over $200 million of fixed assets (inclusive of CIAC) and $30 million is CIAC related to that so about 15-20% of their assets are CIAC.

With regards to the rate structure they are unique. In 2012, the City of Nashua purchased the parent corporation as a sole shareholder of Pennichuck Corporation and as a result their rate structure was initially different than other utilities in the state, prior to that it was like every other utility in the state. Currently, the rate structure for their largest regulated water utility Pennichuck Water Works does not have a refund on rate base in the rates at all. It is now based on a cash flow model; 100% debt funded for how they pay for their capital, there is no equity component to how they invest in their infrastructure and as such the rate structure is tied to buckets of cash that (1) pay debt absorbed by the City to purchase the corporation; (2) are needed to service the debt for capital improvements that are put in place; and (3) to pay for operating expenses. Services provided to customers by Pennichuck Water Works in Nashua and in 10 other communities are treated the same; subject to regulation by the PUC. The merger was approved, they are still subject to regulation and rate setting by the PUC; it was very specific there be no differential.

A discussion followed about their land in fee, how it was being assessed and whether it was a driver in the five abatement cases mentioned. The value of land using current use values versus the MS-1 value would create a significant increase in valuation and taxability. Because the land they own is regulated and used specifically to *protect the wells, it cannot be used for anything else and to apply the MS-1 value would create disproportionate values. The other issue is the values vary from community-to-community, but they are all more than current use valuation. Mr. Goodhue confirmed this is an issue they would like to see the Commission address.*

Mr. Goodhue was asked if he felt the formula to value the public right-of-way was reasonable and he responded at first glance it did appear reasonable however they would want to look at it a bit more. He appreciated the attempt of moving towards a formula approach using information that could be relied upon to promote predictability and consistency. Mr. Ware added it would be a new tax in many communities because they are not taxing them, and the increased cost would get passed through in rates. He agreed the formula sounded reasonable and reiterated the importance of consistency and predictability.

A brief discussion followed about the process the Commission has discussed about current use. It was reiterated that the water utility companies are required to maintain a sanitary radius to support public health and they generally only purchase the amount of land necessary; they own land for the sole purpose of drawing water and supplying public water services. The use of the land is the critical factor not necessarily the size and it was suggested that could be the determining factor a formula could rely on.

Discussion ensued about land values, whether current values were an issue and what percentage of the total value their land value represented. It was confirmed the overall value relates typically to the company's assets such as pipes, buildings and infrastructure. Chair Abrami thanked Mr. Goodhue and Mr. Ware for providing their information and invited them to attend the remaining meetings to answer any questions that may arise as the Commission considers their recommendations.

Working Group Update

On behalf of the working group, Mr. Hamilton reported they are working on analysis that will show the impact of the formula that has been proposed. They have been challenged in their ability to analyze the value of land when it comes to private rights-of-way or private easements. The data provided by Unitil Electric, in this case, is relatively complete however it does not contain the widths necessary to calculate the values for private easements or rights-of-way. The group feels this will be a common problem and have agreed it would be appropriate to focus on the physical property, the poles, wires, conduits, pipelines, those kinds of things and apply the weighted average formula as the data is available to do so. It is also believed that we will be able to apply the formula for the occupancy of the public rights-of-way to everybody that is providing information to us as it has either already been provided or is in the process of being gathered.

Chair Abrami asked if it is so difficult to get the information for private easements, how are they currently being taxed. Mr. Hamilton suggested the individual municipalities know the details about the property within their communities however the level of detail conveyed to the taxpayer is not all detailed as many companies receive a tax bill with a single value rather than something that is broken down more significantly. The working group believes that through the 5-year transition period that has been discussed these details will become available and be retrieved consistently from community-to-community to fashion the formula to work but feel it is unlikely it will be able to be accomplished in the immediate future.

Discussion followed about the lack of detail readily available. The detail is available within the deeds however the effort to extract the data would not be easy. It was clarified the easement information needed was for the defined corridors not the service drops which will make the search that much more difficult. Mr. Boldt suggested the report detail the information needed for the corridor easements across private land for regulated lines. It was agreed the private easements were not a significant issue however the valuation of pubic rights-of-way is important and should be treated the same way for each taxpayer within each community. Mr. Hamilton added in the analysis by the *working group, for the 30 communities served by Unitil Electric, the value of the occupancy of the rights-of-way was about 5% of the distribution value; those easements are required to serve every customer; the private easements and rights-of-way are much rarer at possibly 2-3% of the overall value. He added the formula results are also within 5% of the market value estimates for the cities and towns; there was not a wide disruption in the sum of those values however the distribution resulted in some communities seeing a large increase in the value based on the formula and some seeing a large decrease in their value. The goal is to be able to convey the distribution of those changes as they relate to the 5-year phase in. Those results were based on the use of the 25/75 weighting of net book value to original cost. Importantly, the reported numbers from Unitil did not include CIAC but did include CWIP (Construction Work in Progress). We calculated the CIAC and found it to be about 1.5% of the total cost. So, that 5% variance, when CIAC is included, in may be even smaller than what we had calculated.*

A lengthy discussion ensued pertaining to transmission property. Mr. Bartlett began by noting a general confusion about the exclusion of transmission property as it pertains to Eversource, the only utility company within the state to have both distribution and transmission property. Transmission property that is federally regulated and tariffed such as lines used for transmission only should not be included in this discussion; all other transmission property such as the smaller transmission lines that are part of the distribution system should be included. Mr. Bartlett, referencing information provided from Eversource's FERC Form 1 Report, noted the 21 transmission substations (no distribution) that would not be part of this formula as they are wholly dedicated to the transmission of electricity and three joint substations that encompass both. The issue will be to determine which lines represent distribution and should be included in the formula and which represent transmission and should not be included.

Ms. Shapiro responded that Eversource provided the data as requested for distribution and could provide the data for transmission. She would need to talk to the attorneys and tax folks to gather the transmission data and be able put the assets into two buckets; one that we think should be included in the formula and one that will not. She reaffirmed the commitment of Eversource to help find a solution to alleviate litigation. She asked if the same information would be requested of other transmission companies.

Mr. Sansoucy responded to the questions on the floor. First, pertaining to the three substations in question, federal law requires a company to maintain separate books for joint substations; one for open access transmission property and the other for distribution property therefore it should be easy to determine what is out and what is in; essentially determining what property is regulated by the PUC and what is not. Secondly, there are no other transmission companies within the state that are state-regulated; they are all FERC regulated and not part of this. Discussion followed. It was suggested a representative of the PUC be invited to discuss and clarify the distinction. It was suggested an accountant from Eversource be invited to help get an understanding of how this information may be extracted and the type of effort that would be required to complete. It was suggested the definition provided in the Commission's report would help provide the clarity needed going forward. Mr. Hamilton offered to reach out to Mr. Franz at the PUC on behalf of the working group and the Commission. Discussion continued. It was reiterated the purpose of this discussion was that the substations reported on the FERC Form 1 Report and regulated by PUC were not provided by Eversource and that is the reason for the information being requested.

Ms. Shapiro asked for clarification for the rational of not including transmission in this task as the proposed formula only includes distribution. Chair Abrami stated his understanding was that generation and FERC regulated property was not to be included in the formula, but PUC regulated local distribution should be. It was reiterated a response from the PUC would help to clarify and identify exactly what should be included in the formula before it is rolled out. Mr. Hamilton added when the ASB excluded this property it was for equal protection. If Eversource has the same type of property being assessed as distribution; then we should include it; similar treatment for similar property.

Mr. Thomson suggested the PUC also be invited to the next meeting to help those not in the working group understand some of this information. He also expressed some concern with the time table. Chair Abrami agreed and stated another meeting may need to be scheduled. It will depend on the working group's ability to get all the data and have time to analyze it. Mr. Hamilton indicated they do not have the small water company data however they do have some Pennichuck data and the utilities have been very responsive to the request and they have received information from almost every entity it was requested from to analyze.

Chair Abrami adjourned the meeting at 10:34 a.m.

Next meeting

Tuesday, October 9, 2018, at 8:30 a.m. at the LOB, Room 202

Tuesday, October 16, 2018, at 8:30 a.m. at the LOB, Room 202 – Public meeting

Meeting was adjourned.

Respectfully submitted,

Stephanie Derosier
Municipal and Property Division
NH Department of Revenue Administration

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Commission to Study Utility Property Valuation and Recommend Legislation to Reform the Current System of Taxing Utility Property in New Hampshire

DRAFT

***DATE**: October 9, 2018* ***TIME**: 8:30 a.m.*

***LOCATION**: Legislative Office Building, Room 202, Concord, NH*

COMMITTEE MEMBERS

Representative Patrick Abrami, Chairman – House Ways & Means
Representative Howard Moffett – House, Science, Technology & Energy Committee
Senator Gary Daniels – Senate
Stephan Hamilton, NHDRA
Scott Bartlett - NHAAO
Tom Thomson – ASB
Jonathan Giegerich - Unitil, Gas Utility
Peter Fauver – Retired Judicial Member
Chris Boldt – NHMA
Betsey Patten - ASB Chair
Lisa Shapiro – Electric Utility

Chair Abrami called the meeting of the commission to study utility property valuation to order at 8:30 a.m.

Chair Abrami stated at the previous meeting it was determined additional information was needed to understand and clarify distribution versus transmission utility assets. Mr. McCluskey, representing the NH Public Utilities Commission (PUC), was asked to attend this meeting to help provide some clarification.

Mr. McCluskey, Assistant Director for Wholesale Markets at the PUC, began by explaining the electric division covers two areas; retail activity and wholesale market data. Distribution generally focuses on retail activity while transmission focuses on understanding how the wholesale power plants and transmission facilities work.

There are two aspects to rate regulation; one is federal regulation by the Federal Energy Regulatory Commission (FERC) and state regulation such as the NH PUC. FERC is responsible for wholesale sale of electricity for resale in inter-state commerce, meaning with regards to New England, they have jurisdiction over the wholesale power markets including ISO New England's energy and capacity markets and are responsible for wholesale electric transmission rates distribution utilities have. The PUC regulates electric rates that in-state customers pay including the rates for distribution service and the rates to recover the transmission costs charge to distribution companies. The discussion today pertains to the state regulated rates that are bundled to include the transmission component that FERC is responsible for setting and the distribution component the PUC is responsible for setting.

Rates for both transmission and distribution are set using what is called a cost of service principle which is based on embedded or historic costs rather than forward-looking costs. The most recent a test year used to set the transmission or distribution rates, generally the better. Cost of service is also referred to as revenue requirement which is the amount of revenue needed to cover a transmission or distribution company's operating expenses, taxes, including income and property taxes, interest on debt, and a reasonable return on rate base. Rate base is a technical term for net investment; the utility earns a return at any point in time when there is a rate case, not on gross investment but on the net investment at the time. A net investment is gross minus depreciation at the time of the test year being used to establish the rates.

Mr. McCluskey described the formula for setting the revenue requirement. A utility filing a rate case would use the books from a test year to determine the revenue requirement, which is the dollar amount the utility could collect in rates, that consists of essentially four important components: operating and maintenance expenses, expenses to operate the distribution system (including labor costs), depreciation and income and property taxes. The return on investment is the profit a utility can earn on its activities and investments. The allowed return is set by the regulators either by FERC for transmission rates or PUC for distribution rates. The allowed return is multiplied by the base rate and net investment to determine the amount that a company is allowed to include as profit in their revenue requirement, which they attempt to recover over a period of years. Some companies may not recover; some may over-recover which means their actual profit would be greater than their allowable return and others under earn due to circumstances of the business and may opt to file a new rate case to adjust what they believe to be their appropriate return on investment. This process takes place at the state level and does not happen every year. The utility company determines when to adjust their rates.

The main categories of electric facilities are distribution and transmission lines, distribution and transmission substations and lines of different voltages. FERC was given the responsibility by Congress through the Federal Power Act to determine for every utility in the country what is distribution and what is transmission to which there is no bright line test to determine these facilities. FERC requires the utility that is seeking classification of its property to go through a case-by-case analysis of its assets and present to the FERC what they believe their facility should be classified as. Then FERC, using a 7-factor test, determines whether the facility will go into either the distribution or transmission bucket. In the case of PSNH, both FERC and the PUC know the assets of this common pool electric facility that are transmission and those that are distribution and set the rates for each facility, respectively. In 2004, FERC issued a decision to PSNH that essentially made all 115kv transmission lines transmission assets based on the case-by-case analysis; those below are distribution. Substations may be more complicated. For example, there may be certain parts of a substation that serve both distribution and transmission however the same asset cannot serve both and FERC makes that determination.

The FERC 7-factor test focuses on the types of activities and functions of distribution. If the assets serve a majority of the tests, FERC will classify the assets as distribution. This test is one way to distinguish a transmission asset form a distribution asset. Other features that help distinguish these assets are:

- *Transmission related investments generally have a higher return on equity than distribution related investments; FERC encourages investment in transmission providing a higher returns on equity and other incentives*
- *Transmission rates are set and revised annually through what is called a formula rate and are also subject to reconciliation*
    - *Companies plug information into the formula; FERC reviews*
    - *Rates are adjusted to recover their costs on a regular basis*
    - *If costs are not recovered; the rates can be reconciled at the end of the year to provide a guaranteed recovery of their revenue requirement*
- *PUC rate cases do not happen as often and the time between filing to an order may up to a year*
    - *Rate cases are intensive and expensive proceedings*
    - *Rates increase or decrease depending on how the market develops*

Mr. McCluskey summarized a slide illustrating for PSNH, the most important line being the 115kv, representing 776 out of 1,000 miles. Transmission for PSNH is $770 million and distribution over a billion dollars for rate base which *gives an indication of how important both of them are to each rate base, respectively, and while the 115kv line is not the highest voltage, it is where a lot of the dollars are.*

A discussion followed to clarify information reported on a PSNH 2017 (4th Quarter) FERC Form 1 report submitted at the previous meeting. It was agreed the FERC Form 1 provides all the substations and facility assets as well as separate headings for transmission and distribution. Specifically, there were three distribution with transmission line substations that were 345kv; everything else was 115kv. The question was asked if those were examples of where there could be assets in both the distribution and transmission buckets. Mr. McCluskey stated that could not be determined from the FERC Form 1 but that breakdown would be available from the utility company. It is the capillary substation tied to distribution with transmission lines that is the problem and the utility company would have to provide that distinction; the other two are either all distribution or all transmission. The 115kv and above lines listed on the FERC Form 1 as distribution with transmission lines, at least for substations, are FERC regulated.

A brief conversation about 345kv lines followed and the distinction between regulated rates and valuation. Mr. Bartlett explained he values the 345kv lines in the same manner as other utility property. He added the Commission is trying to determine a formula to value distribution assets and the only concern is PSNH because they have both distribution and transmission assets, mainly 115kv lines. Mr. McCluskey provided a brief explanation of FERC tariffs which relate to transmission owned companies that provide two types of services; regional network service (in/out of state) and local network service (in-state). It was reiterated there are no shared assets; they have all been accounted for on the books as transmission or distribution. In particular the substation might provide both transmission and distribution services but from a book value basis it has already been separated. The concern about the 115kv lines has been clarified; they are regulated by FERC and should not be considered in the formula. It was also stated and understood the asset information provided by PSNH to the Commission did separate out the transmission and distribution assets correctly.

The Commission members thanked Mr. McCluskey for his time and information.

<u>Working Group Update</u>

Ms. Shapiro began by explaining the interest in separating out transmission assets for Eversource (formally known as PSNH) because it was a challenge to estimate how the formula would be applied to their distribution assets only. While some towns do value their transmission and distribution assets separately, others do not and in terms of reporting only one value is reported on the MS-1. The goal of the working group was to estimate how the formula would impact the assessments in each local municipality.

Mr. Hamilton added after the information just provided, he does not believe there will be too many communities served by Eversource that do not have transmission assets in them, which will make it very difficult to back out those values. The group has looked at five data sets in a comprehensive way including the relationship between the local equalized assessments, which is the local estimate of value converted to a full market value estimate. The handouts distributed contain data using the formula of 75% weighting towards original cost and 25% weighting towards net book value and include the land rights for the occupancy of the pubic rights-of-way. The values for fee land and private rights-of-way or private easements over property are not included in the calculations. However, it was clarified, for those communities that do value the private rights-of-way, that value would be included in the MS-1 value.

There were outliers on each end of the analysis. There were some communities where the original cost/net book value weighting was 50% higher than the current assessed value and others where the equalized assessed value was a multiple of the formula value. Taking the difference between the calculated assessed value and the formula value and dividing that by the total assessed value of the municipality it was less than ½% of difference and

therefore a very modest impact, on average. Note these numbers were based on the formula being adopted in one year and not a 5-year transition period. A brief discussion followed about running the numbers using different weightings.
A brief discussion followed about the private rights-of-way and what the percentage of the total they might represent and it was determined to be a small percentage; one example was 3%. It was also mentioned the public rights-of-way represented about 5% of the value.

Due to the inability to separate out the transmission and generation asset values, and to compare apples-to-apples data, Eversource towns with generation assets were not included in the spreadsheet being discussed. The information is a sample and does provide a sense of where the discussion is headed. It was reiterated this is a model and while the data received is useful to a certain extent, there is some data that is incomplete such as the land information. Ms. Shapiro suggested a plus or minus 5% confidence level based on the information received. She added it was also important to remember these figures are based on totals; the changes within each community may be more or less significant. The main objective was to find a compromise knowing there will be ups and downs to get rid of litigation.

A brief discussion followed about concern expressed by Pennichuck relating to required radii around well-heads and the possibility of this area of land qualifying under the current use program even though it is less than the 10-acre requirement. It was questioned whether DES defined the minimum acreage or land area required around the well-head. Ms. Rosenberg stated she would provide the Commission with the DES definitions. A discussion followed about the current use program and requirements. The issue may not only be the less than 10-acres requirement; development is not allowed on current use land. Ms. Rosenberger clarified the land around the well-head is protected and cannot be developed or used for any other purpose than the protection of the well-head however it is often times less than 10-acres. At this time, towns work with the water companies understanding the restrictions on the land however using the MS-1 value would increase the valuation of this land tremendously thereby increasing water rates. By placing this land into current use, it would still generate revenue and keep the water rates from increasing and if the land were removed, the company would pay the land use change tax. Mr. Bartlett suggested this may not be an issue as the Commission, while a final determination has not yet been made, was leaning towards not using this formula for land in fee. Ms. Rosenberger stated she would get back to the Commission.

A discussion followed about private rights-of-way and the concern that some towns are assessing them and some are not as well as the difficulty in gathering the information. It was suggested that most private rights-of-way relate to transmission property and therefore are not as much of an issue. Ms. Shapiro suggested using some percentage to reflect a value for the private rights-of-way rather than zero. Mr. Boldt added land has not been the driving factor in litigation. It is his understanding that most companies cannot provide the information necessary to value the private rights-of-way and that is not the problem to be solved by this commission. Chair Abrami added his concern is that if there is no guidance provided it will create a loop hole. Mr. Geigerich did not think land was a significant issue. However he did express some concern about the data presented. The equalized assessments provided include land value and the figures generated by the formula did not and he just wants to make sure the impact on the results is understood.

Ms. Patten expressed some concern with excluding land in fee and private rights-of-way from the formula and opposed allowing the towns to continue what they are doing because it is inconsistent and she feels that would be a reason for future litigation.

Mr. Bartlett stated one of the things the working group has discussed was the MS-1 reporting. There is one number reported on the MS-1; distribution and transmission for PSNH, and land and assets are not broken out. One suggestion is for the DRA to revise the MS-1 to provide better reporting. It does not solve the question right now but *going forward we will receive numbers we can look at and better address any issues that are not addressed now. This is where the transition period will be helpful. Revising the MS-1 will help identify some of these issues and help us to see where the problems may be. It will be difficult to solve all of the issues within the limited time available. A discussion followed about whether or not the breakdown of information was available to be reported on the MS-1. There was mixed reaction as to whether or not towns had the information separated by category and how the assessment information was presented on the tax bill. It was suggested if fee land and private-rights-of way were not going to be included in the formula at this time that a recommendation be made to begin inventorying and collecting the data so that utilities and municipalities are aware this issue will be considered in the future.*

Next meeting

November 16, 2018, 8:30-11:30, at LOB, Room 202 - Public meeting

Chair Abrami adjourned the meeting at 10:35 a.m.

Respectfully submitted,

Stephanie Derosier
Municipal and Property Division
NH Department of Revenue Administration

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Commission to Study Utility Property Valuation
and Recommend Legislation to Reform the Current System
of Taxing Utility Property in New Hampshire

DRAFT

DATE: *October 16, 2018* ***TIME***: *8:30 a.m.*

LOCATION: *Legislative Office Building, Room 202, Concord, NH*

COMMITTEE MEMBERS

Representative Patrick Abrami, Chairman – House Ways & Means
Representative Howard Moffett – House, Science, Technology & Energy Committee
Senator Gary Daniels – Senate
Peter Fauver – Retired Judicial Member
Stephan Hamilton, NHDRA
Chris Boldt – NHMA
Scott Bartlett - NHAAO
Betsey Patten - ASB Chair
Tom Thomson – ASB
Lisa Shapiro – Electric Utility
Jonathan Giegerich - Unitil, Gas Utility

Chair Abrami called the public meeting of the Commission to Study Utility Property Valuation to order at 8:30 a.m.

A brief discussion followed about the possible need for an additional meeting and the final report format.

Minutes

Ms. Patten ***moved to approve the minutes of September 25, 2018, as written****; Judge Fauver* ***seconded the motion****. No discussion. Chair Abrami moved to accept the minutes of September 25, 32018, as written.* ***Motion passed unanimously.***

Public Comment

Chair Abrami stated an issue has been determined with the valuation of utility property and this Commission has been formed with the task of finding a solution. This meeting is to hear proposed solutions and comments on the proposed formula.

George Sansoucy

Mr. Sansoucy distributed a handout of his presentation containing information for the Commission to consider. He summarized briefly his view on this issue; that the utilities have consistently and repeatedly lost their cases to use book value as the value of their property and that the utilities believe there is a problem; the towns, cities, most of the courts and the BTLA do not necessarily believe there is a problem.

He explained his presentation contains bullet points that he believes his constituent communities (about 90) would like on the record on their behalf and other information that may help facilitate the current proposal.

Pertaining to tax neutrality between the towns and utilities, it is his belief the law never intended this because it penalizes towns that have worked to meet the Constitution to provide fair market values and rewards those *communities who have not. He added the Board of Tax and Land Appeals (BTLA) has also warned about the use of book value.*

He continued there has been a lot of discussion about whether the utility companies can report the necessary information and the answer is yes, they can and they do. This was confirmed by Mr. McCluskey at the previous meeting. The Co-op however is not capable of reporting the same way as other utilities because of the Rural Electrification Cooperative Rules they operate under. They use mass accounting which is the use of an average of an original cost of an asset over a period of years versus the actual original cost; there is always a value and no asset ever depreciates to zero.

***Q:** Does the information provided in the Whitefield report come from the FERC Form 1 report?*

Mr. Sansoucy stated the accounts used on the report correlate to the FERC Form 1 report however what is reported on the FERC Form 1 is the total for all towns the utility has assets in. The example is showing only the assets in Whitefield.

***Q:** Are the public and private rights-of-way consolidated on one line of the FERC Form 1 report?*

Mr. Sansoucy stated the company does not report the public rights-of-way because they are not purchased and therefore not reported as a cost; they are reported as an intangible asset. The company does however purchase rights-of-way and fee land in distribution and are reported in Account 104. The NH Supreme Court has determined the private rights-of-way to be an interest in real estate and require them to be assessed.

Concern has been expressed that some towns tax the public rights-of-way and others do not. Mr. Sansoucy was asked if and how he values them. He replied he does assess them, based on the court decision, using a form that breaks down all the utilities including cable, telephone, gas, water, electric, etc., and divvies them up within the state. He uses the NH Department of Transportation (NHDOT) standard of 8-feet; applies the average per acre cost for residential and commercial/industrial land and frontage costs, and then multiplies that value by a factor. He has used this format for all of his communities for 12 years. Over the years, the value of the right-of-way has decreased because more and more entities are attaching to the pole. The highway department allows 8-feet which used to be for 4-feet for telephone and 4-feet for electric. Now due to the additional attachments, it is electric at 4-feet; cable, telephone, light towers, SegTel and others, with as small as 6-inch widths for each, because all of the entities stay within the 8-feet. Chair Abrami added that although Mr. Sansoucy is using a consistent formula for his communities, other communities are using different formulas if they are assessing them, and the task is to find a standard approach.

***Q:** There has been testimony that a 10-foot right-of-way is used in some communities. Is that a common difference from town-to-town?*

Mr. Sansoucy replied the 8-foot strip in the NHDOT manual is very specific on how and where utilities are placed. The 10-foot right-of-way is used for moderately high-voltage electric that has 10-foot cross-arms on streets. The NHDOT manual does not address the 10-foot strip; it is the exception.

***Q:** The electric portion of the 8-feet is 4-feet, no matter how many other attachments are in the right-of-way, correct?*

Mr. Sansoucy stated while they always have access to the 8-feet, they will be valued for 4-feet in the model.

With regards to reporting, Mr. Sansoucy respectfully requested the Commission consider a standard reporting form. He stated some utilities are great and provide information requested but others refuse; the Co-op provides information that has to be reworked to be useful due to their reporting by way of mass accounting. For them to provide valuable information, they would need to change their bookkeeping system for tax purposes.

Q: *Instead of averaging the entire life of the company, would a limited window provide a closer original cost?*

Mr. Sansoucy explained the way other states have handled this situation is they determine a point certain to begin reporting the new data and change their reporting system for tax purposes. For example, in 2019; they would report the old way up until 2018 and then in 2019 begin adding the correct reporting to the old system. Overtime it will diminish the impact of the old system because of depreciation and they go forward with a like-kind reporting as the other utilities.

One example is, there would be one standing formula for the old and whatever the original cost is, it is multiplied by an absolute factor that can be determined using Handy Whitman for the mid-year. For 1940-2018, the mid-year would be 39 or 1979; from 1979 to present would give you the trended factor up. Another example might be to connect it to the telephone pole unit cost; find an average, then use an average depreciation of 39 years over the whole span. You could also use a bell curve or histogram on the years installed to come up with one number, one adjustment and then go forward. Discussion continued. Mr. Sansoucy did confirm it would be an enormous task for the Co-op to fix their books however a compromise would be to use one of the suggestions above to get them on the same platform as the other utilities going forward.

Q: *Can you explain how the reporting shown for Whitefield relates to the proposed formula of 75/25 original cost to net book value? Does this reporting format provide all the necessary information?*

Mr. Sansoucy replied there are two pieces of information required; one is confidential and will have to be provided by the utility company. The other piece the company reports publicly. The Whitefield report contains land and original cost; the utility company has the net book value by town but it is not provided to the communities unless specifically asked for. The land is reported in account 104 and is deducted from the original cost and valued as land; the remaining items such as meters and transformers are added in. PSNH will break out the transmission and distribution assets. The book value would be the original cost less depreciation. Easements and fee land are included in the land value; public rights-of-way are not.

Discussion followed about the rights-of-way. Mr. Sansoucy suggested making the public rights-of-way non-taxable. One reason utility property sells above book value is the benefit of having a monopoly in the streets and that benefit is included in his value. He believes this value to be embedded in the fair market value of the plant and that is why he suggests not taxing the rights-of-way and maintaining the 75% weighting to original cost. The fee land and fee rights-of-way would be deducted from the original cost because they would be valued separately. Using the Whitefield example, the utility would report two totals to the town. Mr. Bartlett felt it was important the assets be provided by accounts rather than by just totals.

Clarification was requested from Mr. Sansoucy pertaining to his suggestion of not taxing public rights-of-way and whether that was for utilities only or for all entities who occupy the public rights-of-way. Mr. Sansoucy reiterated his belief that revenue neutrality did not exist in the law and he respected the Chairman's desire to study and seek it. He added, "I want to send the message for the 90 communities that I represent in this discussion of revenue neutrality, to not reduce the 75/25 any further because it is going to be problematic but I would be willing to support a compromise where you eliminate the tax for all utilities on the use of the public right-of-way." He agrees it has to be phased in as there are some communities with very valuable land.
Q: *Are there varying levels of depreciation allowed to the regulated utilities that differ between them?*

A: Each line has a different depreciation rate that is approved in each rate case and another rate for each line litigated at the PUC. That is one of the problems about book value and the only way to fix that issue is to fix the rates of depreciation. Mr. Geigerich agreed but pointed out the underlying purpose for the depreciation rates and how they are set is the same for every utility. Depreciation rates are set by the average remaining useful lives and therefore the reason they are different is because of the different installation years of the assets. Utilities with older assets would have a lower depreciation rate; utilities with newer assets, a higher rate. So while the rates are different, how those rates are determined is fundamentally the same.

Representative Moffett asked Mr. Sansoucy, based on his suggestion to discontinue taxing the utility public rights-of-way, why he feels it is a fair trade to not go below 75% of original cost. Mr. Sansoucy replied he is very concerned because these rights-of-way were never taxed until the Supreme Court determined them to be an interest in real estate in the telephone decision. There is no question rights-of-way off the street are interests in real estate however the use of the streets are part of the regulatory compact that gives the use of the streets to the utilities with the obligation to serve every residence and to expand and rebuild the system. Value starts with original cost and by dropping below the 75% many communities will be phased down; some will be phased up.

Discussion ensued pertaining to the taxation of the public rights-of-way including potential legal ramifications based on equal taxation and whether or not the authority to make a recommendation for all utilities was under the purview of this commission. Clarification was provided by Mr. Sansoucy that the value of the right-of-way is included in his overall value of the utility; book value is an accounting calculation for ratemaking purposes of original cost less depreciation, there is no room to adjust up or down for the public use of a right-of-way. If the value is above book value, he stated he believes it is implicit in the value for regulated distribution utilities due to their obligation to serve.

Clarification was provided about transmission rights-of-way that are not typically allowed in the streets and do not pertain to the suggested exemption from taxation and distribution rights-of-way which would be considered non-taxable. Mr. Sansoucy reiterated the FERC definition of the 115 up to 345kv lines as transmission and appreciated Mr. McClusky's confirmation on that.

A discussion followed about the benefits related to a utility's ability to recover their costs; the impact of deferred income taxes and the business value versus real estate value.

Mr. Sansoucy agreed the proposed cost-based model was the right way to develop a fixed program for the State. He provided three legal opinions and points relating to book value and referenced the Public Utility Depreciation Practices from the National Association of Regulated Utility Commissions, page 43, "…the objective of book depreciation is to allocate an expense and it is not intended to reflect the market value of the property." He referenced two cases in Massachusetts that resulted in the use of a formula representing 50% weighted to net book value and 50% to reproduction cost new less depreciation. He believes original cost is a compromise and while it does not include depreciation and other things; it demonstrates that fair market value is greater than original cost.

He provided some explanation to the notion of excessive assessments where the cause is rarely actually known and in many cases the cause is an error that is corrected. He provided some examples of these situations: one in Litchfield where assets were counted and valued twice and corrected through mediation. All of the Co-op's assets are not accounted for in Lincoln due to the property that is given by developers, accounted for as Contributions in Aid of Construction (CIAC), which is allocated by the Company throughout the state due to mass accounting. A few more examples were provided and in summary, errors occur on both the municipal and utility sides and unless found can affect either side significantly and that is what the mediation process is for, to find resolutions.

Mr. Sansoucy affirmed that water has a lot of development contribution, CIAC, and Pennichuck is the best in the state at reporting CIAC in each community. Water also has the lowest revenue per dollar invested at 15.5% versus electric at 7.5% and gas at 6.9%, which causes the value to be closer to book value. He agrees that water is different and suggested the 75/25 formula may cause some water utility assets to be over-valued. He added as there are no big appeals for water at this time, more time could be taken to address water.

Discussion followed about the difference between transmission and distribution and the impact each had on valuation. One of the challenges is the reporting of one value and lack of breakdown between transmission and distribution asset values for Eversource and distribution asset and land values for other utilities. A request was made of Mr. Sansoucy to provide, for his communities, that breakdown; he indicated his company would make every effort to provide information for their applicable 30-40 communities by Friday. It was suggested this information could provide some order of magnitude and use of applied sensitivities may help to determine impacts.

A brief question and answer followed pertaining to the .88 rate per kilowatt hour for taxes stated by Mr. Sansoucy for 2017 and the .625 used by PUC and the tax impact on an electric bill. Mr. Sansoucy suggested the PUC uses an average, which is something he has never seen, and he believes the PUC number underestimates the norm.

Mr. Sansoucy reviewed data showing New Hampshire rates versus other states including Massachusetts, Connecticut, Maine, Rhode Island and Vermont and explained that New Hampshire rates are not high but rather highly competitive in comparison to the other New England states. One of the most significant impacts on electric rates he explained is the inefficient operation of electric systems due to the fractured franchise in this state. He followed with an explanation and references to the maps provided in his presentation. The acceleration of depreciation rates has caused a far greater cost in rates than taxes. Two suggestions to reduce rates would be to stop the acceleration of depreciate rates and franchise realignment. A more efficient system would result in a lowerrate. Discussion followed.

Chair Abrami thanked Mr. Sansoucy for the information and his presentation.

<u>Public Comment</u>

Mr. Richard Barry, State Representative and resident of Merrimack, NH, would like the Commission to consider a phase-in period of any proposed solution. The goal is to create consistency throughout the State and decrease the costs passed through from the utility company to the ratepayer. He suggested making the utility tax exempt at the municipal level which would benefit the taxpayers but knows that won't work here; and he requested the Commission consider finding a solution that creates the least harm across the board. He hoped they would find a way to standardize the practice and phase it in to alleviate the impact the first year.

Chair Abrami stated the Commission is unified on the idea of a glide path to prevent the concerns mentioned although the time frame has not been determined. The Commission understands no matter what the formula, some towns will be affected more than others. Chair Abrami reiterated this task is for NH PUC regulated utilities and the NH Co-op, not FERC. He thanked Representative Barry for his comments.

<u>Working Group Update</u>

Mr. Hamilton reported the working group has reviewed the physical, non-land assets using various weighted averages of original cost and net book value including 75/25, 65/35 and 50/50. The use of the weighted average has been a good way to get to a cost that can be applied in every community in a uniform and reasonably fair way. Based on preliminary analysis, the group has determined a range between 95% and 101% of current assessed value depending on the weighting applied. It was clarified these results were in the aggregate including electric, gas *and water and not by individual company or municipality. For the Eversource analysis, they excluded all towns with generation assets and because there was no allocation of transmission and distribution assets, the group considered it combined in both the assessment and weighted value analysis. The information Mr. Sansoucy will be providing should result in better detail to determine the impact of those values.*

The group has encountered difficulties with assigning value to the occupancy and ownership of land. Finding a formula for land in fee has been difficult however it has been recognized that it is the easiest for municipalities to value on their own. There has also been concern expressed by the water utilities about certain segments of their land which is regulated by both the PUC and the NH Department of Environmental Services (DES) so the group has been trying to come up with a recommendation for that particular element of land.

The reporting of the use of public rights-of-way versus private easements has been challenging due to the information needed and the limited availability to find it either in the deeds or on the books of the utility companies. Through the review, however, the group has been able to compile the occupancy of the public and private rights-of-way for distribution only and have found a range of value which appears to be about 5% of the total value. The group is examining the use of a factor to account for land rather than accounting for it separately in each community. This does not include the transmission corridors or fee land; it includes land on the side of the road under distribution lines. The low was 1% and the high was 10% and that is where the 5% was derived from.

This value would be in addition to the value of the physical assets in a community to represent the value of the occupancy of the public or private rights-of-way that have to be there to get the distribution to the individual properties. The percentage of that total will help distinguish between the communities and their values; those where there is a high density of equipment, customers and occupancy of rights-of-way, whether private or public, will be tied to the higher values; places where there is less equipment and where customers may be further away from each other will have less value and so there seems to be a natural balance between the different types of communities.

Concern was expressed about including information for the rights-of-way in the analysis because it may distort the numbers produced in the formula as some towns are assessing them; some are not. The issue is that there is no way to know which towns are including them and which are not due to the various approaches being used. Mr. Sansoucy clarified his information would separate the rights-of-way as well as distribution and transmission assets. Mr. Bartlett added the group does not have a good representative sample to review. A good sample would include both Mr. Sansoucy's information, which tends to be on the upper end and the state's information which is on the lower end. Using only Mr. Sansoucy's numbers would create skewed results.

Discussion followed about whether or not eliminating the taxation of the occupancy of the rights-of-way was under the purview of the Commission to recommend; if it would create an equal protection concern and the consideration that the value of these are implicit in the original cost value and therefore in the formula. Having just received the information from the water utilities, there is more analysis to be completed. The working group will be able to bring a report to the meeting next week that will hopefully validate some of the assumptions and show what the scale of the impact might be and how the mitigation through time can be accomplished.

Mr. Bartlett requested the spreadsheets created at the next working group meeting be distributed to the full committee to provide time to review prior to the next Commission meeting. Ms. Patten suggested once it is released to the Commission members that it also be distributed to the utilities. Chair Abrami agreed that would be helpful. Mr. Boldt indicated his goal was to have a working draft of the Commission Report to review as well.

Next meeting

Tuesday, October 23, 2018, at 8:30 at LOB, Room 202.

Meeting was adjourned at 11:03 a.m.

Respectfully submitted,

Stephanie Derosier
Municipal and Property Division
NH Department of Revenue Administration

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Commission to Study Utility Property Valuation
and Recommend Legislation to Reform the Current System
of Taxing Utility Property in New Hampshire

DRAFT

DATE: *October 23, 2018* ***TIME***: *8:30 a.m.*

LOCATION: *Legislative Office Building, Room 202, Concord, NH*

COMMITTEE MEMBERS

Representative Patrick Abrami, Chairman – House Ways & Means
Representative Howard Moffett – House, Science, Technology & Energy Committee
Senator Gary Daniels – Senate
Peter Fauver – Retired Judicial Member
Stephan Hamilton, NHDRA
Chris Boldt – NHMA
Scott Bartlett - NHAAO
Betsey Patten - ASB Chair
Tom Thomson – ASB
Lisa Shapiro – Electric Utility
Jonathan Giegerich - Unitil, Gas Utility

Chair Abrami called the public meeting of the Commission to Study Utility Property Valuation to order at 8:40 a.m.

Minutes

There were no minutes available to review or approve.

Mr. Bartlett distributed a memo summarizing the efforts of the working group that included the organization of information received from multiple electric, gas and water utility companies, using Excel to perform various calculations and reviewing the results of the analyses. Information received included original cost, net book value, contributions in aid of construction (CIAC), construction work in progress (CWIP), land values and assessed values from the DRA MS-1 Report. Utility values reported on the MS-1 Report are reported as one total value and therefore it could not be determined if the utility value included public rights-of-way, land, or a breakdown of distribution and transmission assets. The assessed value was then equalized to represent market value.

The analysis began using the 75/25 original cost/net book value weighting and then added in an estimated land value based on the formula recommended by the Assessing Standards Board (ASB). The analysis resulted in large ranges of land values and rather than determining a price per linear foot, the following percentages of equipment to were calculated to represent land value: 5%, 3% and 1%. For further analysis, three spreadsheets were created for each utility type, electric, gas and water to calculate the different formula weightings and land percentages. For electric and gas the following weighted formulas of original cost/net book value were calculated: 75/25, 65/35 and 50/50. The first spreadsheet was calculated using 5% land contribution; the second spreadsheet using the same three weightings and a 3% land contribution and the third the same three weightings and a 1% land contribution. This comparison summarizes by utility company the differences between the formula value and the equalized value.

Water was completed on a separate spreadsheet because it was determined it would be impacted differently even within each company. The same weightings and land contribution percentages were used. The results of the 75/25 with 5% land showed significant differences between Pittsfield Aqueduct, Pennichuck East and Pennichuck Water. The most significant factors were that Pittsfield Aqueduct which is only in one town and 75% of Pennichuck Water is *in Nashua. Mr. Bartlett did not feel that Pittsfield Aqueduct provided a fair comparison due to being only in one town; however, he felt that Pennichuck East with a 26% increase provided the most accurate comparison. When Nashua was removed from Pennichuck Water, the results were almost identical to Pennichuck East. Overall, the working group did not feel the three weighted formulas created representative values for water.*

Mr. Bartlett briefly summarized the calculation to determine the increase or decrease based on the new formula: Total formula values minus the total equalized assessment; then divide the difference by the equalized assessment. The results showed a very wide range as to how individual towns were impacted.

Chair Abrami asked how the land was backed out of the equalized assessment; if the public and/or private rights-of-way assessments were known for each town or if an estimate was used. Mr. Bartlett replied no information was backed out of the assessment. He briefly explained the vast majority of land for electric companies is transmission not distribution land; the group estimated distribution fee land to represent 1-2% of the assessment; and an adjustment was made for PSNH transmission land. Towns that assess the rights-of-way; that value was included in the MS-1 value. A brief discussion followed. It was agreed water would be put aside for the time being; it was understood that public and private rights-of-way are difficult for towns to measure, report and keep track of; and a suggestion was made to add "distribution" before private rights-of-way for clarification.

Discussion followed about the reasons to use a percentage of the equipment value to represent the public and private rights-of-way value. Using a percentage alleviates the burden placed on the municipalities to find and track them and then have to explain the various ways they are being valued; if applicable. This idea is consistent with the principles the ASB came up with; it allows municipalities to apply the formula at the local level and provides consistency. A brief conversation took place about telecoms, the differences between them and regulated utility properties, and potential consequences about using a different formula to value the public rights-of-way.

A request was made to hear the opinions of the working group as to what formula each preferred and why.

- *Mr. Bartlett suggested the 75/25 formula using 1% land contribution representing the public and private distribution rights-of-way value because he felt it was the most revenue neutral of the three.*
- *Mr. Geigerich, representing the gas utilities, suggested the 65/35 with 1% for land because he felt this was in line with the stewardship and prudence required by the utility companies and benefits the ratepayers.*
- *Ms. Shapiro, representing the electric companies, suggested the 50/50 with 3% for land based on the PUC's preference to see values at net book and to allow some maneuverability for land.*
- *Mr. Hamilton, representing the Commissioner of the NHDRA, did not submit a preferred formula or factor for land but felt they were all sensible and realistic and would meet the objectives to ease the administration of these taxes at the Department.*

Chair Abrami reiterated the hope to come away with numbers to present to the legislature rather than a basic framework. Representative Moffett agreed and reminded the members that while each Commission member is representing either the municipalities or the utilities, it is important to remember the taxpayers and ratepayers as both will be affected by the outcome. He added this Commission will also be recommending a change to statutes to allow the selectmen to set a value for utility property that is not necessarily full and fair market value rather a value set by a recommended formula by this Commission; one that is clear and fair and intended to put an end to lawsuits the ratepayers are paying for.

Ms. Patten commended the working group for providing information that is defined and illustrates the impacts of the proposed formulas. She stated fair market value has been the issue and within the statutes referenced by Representative Moffett, there are many things exempted from fair market value and utilities would need to be added. She felt the best way for compromise and consensus would be to use the 65/35 formula with 3% for land. Using that formula with the glide path would allow the municipalities and utilities to incorporate the changes over time and provide relief to the taxpayers and ratepayers.

Chair Abrami reiterated the numbers on scale are not that far apart and the magnitude not that great. Mr. Hamilton added in terms of revenue, the difference from top to bottom is about $6 million in tax revenue.

Mr. Bartlett, having been a part of this process from the beginning, expressed concern about the compromises that have been made and the continued pressure to push the values down through more compromise. No matter what the end result, the reality is money will be taken out of the pockets in some towns and added to others. Mr. Sansoucy suggested a compromise to use the 75/25 and remove the tax on the rights-of-way; which Mr. Bartlett did not agree, but he does believe that using 1% to recognize land is another compromise on the municipal side; the first being the decrease from using 100% original cost (which he was in favor of) to 75% original cost and 25% net book value.

Mr. Thomson referenced another formula that was created and successfully implemented over a five-year period; a formula that can be defended, which he feels this Commission is also trying to do in effort to end the lawsuits between the municipalities and utility companies. His concern is for the taxpayers and the ratepayers who are ultimately paying for the cost of those court cases no matter what the outcome. He understands assessing utilities is difficult and if this is not resolved, the responsibility will go back to DRA. He is in favor of the 65/35 with 3% land.

Mr. Hamilton added the difference between Mr. Bartlett's recommendation of 75/25 and 1% and the 65/35 with 3% is less than $1 million in tax revenue. If he were to weigh in, he would also go with the 75/25 and 1% land rights. Senator Daniels stated that he did not take a position on a formula at this time because after hearing all of this information, he would have difficulty explaining it; however he does agree whatever the decision is, it needs a glide path. Chair Abrami stated ending the litigation is necessary for justice to the ratepayers and taxpayers. He agrees the formula of 75/25 after 18-24 months of work at the ASB is a compromise and is defensible. He is willing to go with 1% for land in a compromise to end litigation and does not want to see any more net book value used as it is an internally created number and varies from company to company.

Representative Moffett requested to see what the difference would be between 75/25 and 1% and 70/30 with 3%. He added the reason for the request was to narrow the choices from the amount of information provided in the various spreadsheets. Mr. Bartlett ran the numbers using the 70/30 with 3% and stated the equalized assessment stayed approximately the same. Representative Moffett stated he supports the 70/30 with 3% land.
Ms. Shapiro expressed concern about language in the draft report about utilities not being able to challenge assessments they perceive to be too high. Discussion ensued about what assessment should be used in the formula, the effect pending previous year abatement and litigation cases will have on an assessment and concern about locking in assessments that may be determined to be too high and how those will affect the glide path. It was suggested while these cases may not go away; they may provide guidance for resolution.

Mr. Boldt explained the drafted language was meant to be part of the compromise to avoid having a law applied retroactively and would be not be effective until all current cases are resolved. The incentive is, it does not apply one standard or another to past cases and gets rid of the litigation which is the give to the municipalities to go to a formula that is a reduction for 2/3 of the municipalities in the state.

Chair Abrami summarized the votes for formula and land contribution:

- *65/35 with 3% land – Chair Abrami, Ms. Patten, Mr. Thomson*
- *75/25 with 1% land – Mr. Boldt, Mr. Bartlett, Mr. Hamilton*
- *65/35 with 1% land – Mr. Giegerich*
- *50/50 with 3% land – Ms. Shapiro*
- *70/30 with 3% land – Representative Moffett*

Senator Daniels and Judge Fauver did not vote.

Mr. Bartlett pointed out the difference between the three approaches; the 70/30 with 3% land resulted in a 0% change; 65/35 with 3% was a -2% change and 75/25 with 1% was a -1% change which is between the first two suggestions. He added he does not see land as an issue because it is not fee land; it is rights-of-way which are not in the books of the utility companies and is why he does not have an issue with 1%.

Mr. Giegerich expressed concern that any opinion he expresses may be used against the utility in pending or future cases however he was comfortable saying the formula and range that has been developed are a good model and they will support it. Mr. Boldt stated he has those same concerns from the other side and indicated he added the following statements to the draft reports to make known this is a compromise:

- *Page 7, paragraph d. expressly states, "The various shareholders have strongly held opinions and arguments for their respective positions on the appropriate methodologies for valuing the various utility company assets within the scope of the commission's purview."*
- *Page 8, paragraph k. states, "The commission believes the recommendations listed below reflect a balance of compromise between state, municipal and industry stakeholders to resolve good faith differences as to the proper method by which to value utility properties and as such all the recommendations set forth in this report must be considered a relative compromise in order to maintain the balance."*

Chair Abrami changed his vote to the 70/30 with 3% contingent on keeping the clause on litigation going through and amending paragraph 13 on the last page of the report; Senator Daniels put in his vote for the same.

A discussion followed about the drafted language pertaining to the utility company's compromise to withdraw from and dismiss pending litigation with the municipalities for years 2017 and prior and any abatement applications filed for 2018 as a condition for the proposed legislation to become effective. Mr. Boldt expressed concern, from a municipal standpoint, about going forward with a formula of 75/25 or 70/30 because that is a significant compromise for what has been ordered by both the BTLA and Supreme Court. Chair Abrami stated prior discussion had been about avoiding future litigation and that old cases need to be settled. Concern was expressed that the language did not put any obligation on the municipalities to try to reach settlement and it was asked if there was a way to include both sides in that effort. Judge Fauver inquired if this could be part of the mediation process to help facilitate resolutions out of court. Mr. Boldt's concern is this would be a big cut for some municipalities whose value has been supported and affirmed at the lower court level and have consequently been appealed.

Mr. Gerzon described himself as the individual who brought forward the appeals for PSNH when he was in charge of their property tax function and is now five years removed from that position. He clarified the BTLA ruled the utilities did not meet their burden of proof which he felt was an important distinction. He also brought forth the appeal of PSNH v. Town of Bow in which the utility did meet their burden of proof and it was affirmed in that record as the precedent going forward. The elements of transmission, distribution and land, which were stipulated, were *decided in favor of PSNH with no weight given to reproduction cost new less depreciation; 100% weight was given to net book cost and that, in his opinion, is the current precedent. Chairman Abrami asked Mr. Boldt to comment; and Mr. Boldt stated that while he disagreed with Mr. Gerzon's interpretation of the Bow decision, Mr. Boldt did not want to have the discussions break down into the various parties going to their respective "corners."*

Discussion continued about pending litigation and how to move forward. Concern was expressed about passing the responsibility to the legislature to decide what to do. A suggestion was made to provide language to the legislature that would encourage the parties to resolve. There was concern whether or not the right to appeal could be legally taken away. A conversation followed about which year value should be frozen or used for the 5-year glide path. The legislature's decision will most likely be prospective; determining the base year and locking in the assessed value will be important and once determined, the appeal rights of the taxpayer will be limited to the proper application of the formula. It was also stated the taxpayers and municipalities will have the opportunity to influence the creation of the formula through the legislative process. It was suggested that through the determination and passage of a fair and equitable formula, it will encourage parties towards resolution. A suggestion was made for Mr. Boldt and Judge Fauver to continue this discussion to try to come up with suitable language by the next meeting; both agreed.

A brief discussion followed pertaining to the language presented in Item 13 and concern that it had not been previously discussed; that it went beyond the Commission's task and whether the discussion was more appropriate to have during the legislative session. The general thought was to alleviate future litigation rather than resolve current litigation. Mr. Boldt expressed concern that if the issue of existing litigation cannot be solved, it will be used against the municipalities in the pending cases. He requested thoughts and comments from the Commission members to incorporate into the language to be presented at the next meeting.

Chair Abrami took another vote on the formula percentages and land contribution. The following members voted for the 70% weighted towards original cost and 30% towards net book value with 3% land contribution: Chair Abrami, Mr. Boldt (with the caveat that the draft "pending litigation" language needed to remain), Mr. Bartlett, Mr. Hamilton, Representative Moffett, Senator Daniels and Mr. Thomson. Mr. Thomson requested Ms. Patten be contacted as this is a change from her original vote. Chair Abrami stated he would contact her. Mr. Boldt indicated he would still look to resolve the old litigation and if Item 13 is removed, he may have to write a minority report. Mr. Bartlett stated he will create new spreadsheets with the 70/30 with 3% land.

A discussion followed about the water utilities. Mr. Bartlett briefly recapped the issue with Pennichuck Water having 75% of their total value in Nashua and Pittsfield Aqueduct being in one only town therefore not being a good representative of the whole; and taxes being an estimated 15% of the water utility's total expenses compared to 7½ to 8% of other utilities as presented by Mr. Sansoucy. In an effort to be fair to all communities, he suggested keeping the 3% land contribution for water and to consider a formula of 50/50 or 25/75 because the information provided in the spreadsheets does not provide a clear picture of how the water utilities will be impacted. Mr. Hamilton reiterated the differences for this property type which included their investment into the property is higher based on the amount of revenue they can generate selling water and they are impacted heavily by CIAC which means a lot of the property they end up with is property they can't necessarily earn a rate of return on. He agreed with Mr. Bartlett that at least the 50/50 weighting would be appropriate.

Discussion followed about Nashua and the effect equalization has on the assessed value. The importance of equalization was reiterated, it was to create a proxy for market value not the local assessed value. A suggestion was made to use 30/70 for water. Concern was expressed about the lack of information received for water utilities and that it should be put aside, however Chair Abrami stated it was important to make a statement. If through legislation more information or questions arise, a decision can be made about what to do through the legislative process. Mr. Goodhue reiterated the issues for water companies; land and the significant percentage of revenue passed through to taxes which is almost double compared to the electric and gas utilities. He encouraged a

different, lower ratio for water versus electric and gas because of the significant differences for water that include costs for capital infrastructure and of CIAC that is passed through to the ratepayers; he suggested 25/75 or 30/70 would better represent the value for this type of utility.
The following individuals recommended a formula of 25/75 with 3% land: Chair Abrami, Representative Moffett, Mr. Hamilton, Mr. Bartlett and Ms. Shapiro. It was suggested a clear explanation be included in the report for why water is different. A suggestion for land was made, in particular for the sanitary radii, to recognize and value it as a discretionary easement, which already exists within statute. A discretionary easement is designed for situations that do not qualify for the current use program.

*Mr. Boldt read a revised Paragraph 7: "The proposed legislation should provide that any water company land parcel owned in fee for ~~well~~ **sanitary radii** and/or watershed **protection** purposes and subject to NH DES regulations to protect water quality shall be entitled to be taxed as ~~conservation land~~ **discretionary easement** even if said parcel is less than 10 acres in size and/or has a well structure in related piping on the parcel." A consensus was received for the changes.*

<u>Draft Report Review</u>

Mr. Boldt thanked Jennifer for providing the format and assistance with the report. He explained he felt it important to start with the ASB's 21 Principles. Concern was expressed about including the ASB recommendations and principles under the Findings based on the changes that developed throughout the process. A suggestion was made to include a brief history of litigated cases to provide clarity as to why the issue exists and the Supreme Court direction to the legislature to come up with a single valuation method to value utility property. Concern was also expressed about the perception of false interpretation that this Commission determined there was a problem; to make it clear the problem was determined prior to the Commission being formed. Discussion followed about the format of the report.

Mr. Boldt continued with describing the information in the report.

<u>Section E</u>: A brief discussion about how to clearly describe and reference the 115kv lines followed. A suggestion was made and agreed to, to reference the information on the FERC Form 1 Report filed by the utility company.

<u>Section F</u>: Clarification for excluding other utilities such as cable, telephone or internet.

<u>Section G</u>: Explained the various ways utility companies keep their books to serve as recognition as well as defining CIAC and CWIP.

<u>Section H</u>: Explained land rights not being the driving force of the disputes.

<u>Section I</u>: Explained taxes were not the driving issue of rates. After a brief discussion it was determined this section would be removed from the report.

<u>Section J</u>: Explained the timeline to move forward in upcoming legislation and recognized this is not to be used for RSA 83-F purposes.

<u>Section K</u>: Provided an explanation of the various stakeholder's participation and good faith differences and the effort to come up with a solution.

<u>Section L</u>: Mr. Boldt stated this section may need to be revised to incorporate the idea of staying the litigation and recommending the parties proceed to mediation. Ms. Shapiro stated she did not vote for the recommended formula and will not vote to stay the litigation and suggested rather than determining one formula to recommend a range to the legislature. Mr. Boldt expressed concern with recommending a range; he stated the intent of the formula is to provide guidance to the legislature; the formula is the compromise.

<u>Paragraphs 4 and 5</u>: Mr. Boldt explained these two paragraphs will be combined to describe the public rights-of-way and private distribution easements and their value representing 3% of the utility company's assets in each municipality.
<u>Paragraph 6</u>: A discussion including concerns about the ambiguity of the word 'buildings' followed. It was restated most non-utility buildings are owned separately; they are not owned by the company. Some buildings are included in the original cost and net book value; some are not. The utility representatives were asked if that information could be separated out and reported. The intent is to make sure substantial buildings that could be used for something other than utility are being valued. Mr. Giegerich indicated Unitl could provide that information; Ms. Shapiro believes all buildings are owned by other entities but will verify with Eversource; and Mr. Dean suggested he would get back to the committee as he will be looking at that data closely. He also expressed concern about the presentation of the spreadsheets and felt they are comparing apples to oranges and would like to discuss further to gain a better understanding of the results. After further discussion, it was decided that 'buildings' would be changed to 'office, garage, and warehouse buildings owned in fee'.

<u>Paragraph 8</u>: Mr. Boldt explained this paragraph as the reporting requirement of the company to both the municipalities and DRA. The March 1 filing deadline remains for reporting the preceding year; and includes listing out distribution, transmission and generation on the FERC Form 1 report. For those companies who do not currently report this information, this is a method for getting them to do so going forward. Ms. Shapiro requested hearing from Mr. Dean of NHEC because they are the only company this change would apply to. Mr. Dean stated he has not seen the information however if it is telling the Co-op it cannot use the accounting method that it has used for its existence and that most of the other Co-ops across the country use, he believes that would be a problem.

The intent was for every utility to be reporting the same way to be able to evaluate at the end of the glide path. One challenge is not having enough information to know whether it is a good recommendation or not and if asking one company to keep two sets of books was reasonable. Mr. Boldt expressed concern about the different ways net book value would be calculated and how that would impact a tax base for any particular town. If the goal is consistency and predictability throughout the state, having an inconstant system to report the value the assets does not make sense. Mr. Dean responded he agrees with reporting original cost and net book value because the Co-op does that by town but it is based on a mass average calculation and he does not see a problem there. If the Co-op cannot use mass average he does not know if complying with the second part will be practical. Mr. Boldt restated the change would not require the Co-op to go backwards; it would require them to start keeping their books the same way other utilities do going forward. Mr. Dean agreed this would affect the values allocated to each town; it is a different accounting methodology however the Co-op has been reporting this way; has been assessed this way and has always had those different impacts and does not feel the necessity to change. The question is whether this is a surmountable problem. Chair Abrami stated the intent is not to impose burdens, which this appears it will be.

Mr. Boldt reiterated this is not about going backwards; he is suggesting the company use the mass average numbers for the past decade to create a snapshot of value to begin with and then as new items come in, add them to the original cost and keep the books going forward like the other utilities. Mr. Dean stated it does inherently involve keeping two sets of books and the mass average part will diminish over time but he can't say that is acceptable. It was decided to continue this discussion next week.

<u>Paragraph 9</u>: This section was meant to explain that no asset value would get to $0. Mr. Bartlett stated that is the purpose of using a weighted formula. This paragraph will be removed from the report.

<u>Paragraph 10</u>: Explains the transition of using a 5-year glide path. Year one will use 80% of the old assessed value and 20% of the new assessed value and each year the use of the old assessed value decreases by 20% and the new assessed value increases by 20%. The question was asked how new utility property will be handled. Mr. Bartlett suggested reporting the old assets and new assets separately creating two formulas. He recommends all

new assets be included in the formula in year one. For years two through five, two formulas will need to be calculated; one for new construction and one for everything else. It will not be easy.

Implementation will only be for that property; new property installed after that date is going into the formula.

- *April 1, 2018 asset value - $10 million value*
- *Formula value - $11 million*

Absent new improvements

- *80% of $10 million (+)*
- *20% of $11 million = Assessed value*

New Equipment - $1 million; 70/30 of that value

It will take time and understanding to implement.

Mr. Bartlett stated he would try to pull some information together for Eversource to try and create the phase in versus having two books and have something distributed to the work group in the next couple days. A brief discussion followed about the timeline for legislation and potential effective date and what year assessed value to be used as a base year.

Paragraph 12: Suggests legislation mirror the appeal rights. A discussion followed pertaining to future appeals. Should they be filed with the BTLA and Superior Court or only at the BTLA? The general consensus was the BTLA would be the most effective and appropriate venue to file appeals for consistency.

Paragraph 13: A list of the applicable statutory chapters will be added including RSA 72, RSA 74, RSA 75 and RSA-79C.

Mr. Boldt will send out a revised draft report to the Commission members for review and comment.

A discussion followed pertaining to an implementation year. It was suggested September is a typical date chosen for legislation relating to assessing. An effective date of April 1, 2019 would be very aggressive; an effective date of September 1, 2019 would mean it would be effective the following April 1. The question was asked if the DRA could begin implementing the MS-1 changes to separate out distribution, transmission and land values. Mr. Hamilton indicated an MS-1 change could not be imposed for 2018 as they are being submitted now but the Department will be able to collect them with the changes in September of 2019. Mr. Hamilton stated the towns may not be able to provide that detail and reiterated the importance of implementing the inventory requirement for the companies to report that detail to the towns.

Next meeting

Tuesday, October 30, 2018, at 8:30 a.m. at the LOB, Room 202

Meeting was adjourned.

Respectfully submitted,

Stephanie Derosier
Municipal and Property Division
NH Department of Revenue Administration

All meetings are recorded and available upon request.

Documentation relative to the Commission to Study Utility Property Valuation may be submitted, requested or reviewed by:

Telephone: (603) 230-5096
Facsimile: (603) 230-5947
Web: www.revenue.nh.gov
E-mail: asb@dra.nh.gov

In person at:
109 Pleasant Street, Concord

In writing to:
NH Department of Revenue
Assessing Standards Board
PO Box 487
Concord, NH 03302-0487

Commission to Study Utility Property Valuation
and Recommend Legislation to Reform the Current System
of Taxing Utility Property in New Hampshire

DRAFT

***DATE**: October 30, 2018* ***TIME**: 8:30 a.m.*

***LOCATION**: Legislative Office Building, Room 202, Concord, NH*

COMMITTEE MEMBERS

Representative Patrick Abrami, Chairman – House Ways & Means
Representative Howard Moffett – House, Science, Technology & Energy Committee
Senator Gary Daniels – Senate
Peter Fauver – Retired Judicial Member
Stephan Hamilton, NHDRA
Chris Boldt – NHMA
Scott Bartlett - NHAAO
Betsey Patten - ASB Chair
Tom Thomson – ASB
Lisa Shapiro – Electric Utility
Jonathan Giegerich - Unitil, Gas Utility

Chair Abrami called the public meeting of the Commission to Study Utility Property Valuation to order at 8:30 a.m.

He began by explaining there will need to be an addendum to the report as the minutes are not completed. Once complete, they will be distributed for review and edits and a vote to approve by e-mail.

Draft Report Review

The most recent version of the report was distributed. Mr. Boldt summarized the changes to the report that were discussed at the prior meeting. Discussion ensued pertaining to Section I. and the statement 'should be stayed and the parties proceed to mediation'. Ms. Shapiro provided the following alternative language, 'the parties to the pending litigation are strongly urged to reach settlement.' After a brief discussion the following revised statement was agreed to:

"The Commission believes that as part of this balanced compromise and in order to maximize the potential savings to the ratepayers and the taxpayers, the parties to the pending litigation between the various utility companies and various municipalities for tax years 2018 and earlier are strongly urged to reach settlements in a manner fair and equitable to the parties under all circumstances."

A discussion followed about which spreadsheets should be used in the report. The one certain spreadsheet that contains the 70/30 formula and 3% land contribution was agreed should be included. The next spreadsheet for water included the 25/75 formula and 3% land contribution with an additional line that removed Nashua to show the impact. It was suggested an asterisk with an explanation for the additional line be added. Mr. Bartlett will submit two revised charts labeled 1 and 2 to Mr. Boldt.

Section III. Recommendations

Mr. Boldt explained references within the report had been corrected based on changes made at the previous meeting. He confirmed the 3% land contribution was based on the hard assets in each community that were being *added to the valuation. An example was provided. Other changes include:*

- *The word 'buildings' was replaced with <u>office / garage / warehouse buildings</u>*
- *Approved language by Pennichuck was inserted*
- *Added to RSA 79C to the list of affected statutes*

<u>Paragraph 7</u>: Reporting Requirements. Mr. Boldt explained the handout, provided by Mr. Sansoucy's office, which shows the information PSNH provides their office on a town-by-town basis by FERC accounting codes. He restated the importance of informing the utility companies what information will be expected to be provided. The report will be added as an attachment. A brief discussion followed about the phrase 'historic surviving original cost' that was used in the report in comparison to 'original cost'. It was decided that because the term original cost had been used in the presentations over the past two years and is understood and accepted, that would be the term used in the report. The phrase 'historic surviving original cost' was removed.

A lengthy discussion followed about NH Electric Co-op (Co-op) and the proposed requirement for them to change their accounting method from mass accounting to the same method used by the other utilities. Some thoughts offered included the requirement to change a reporting method is outside the authority of the legislature; the intent is to create a system for uniformity, predictability and consistency in the taxation of utility property and to build in a differential seems wrong; it is in the State's interest to make sure local property taxation is fair and consistent from town-to-town across the state and it is better to have one consistent property tax system versus allowing multiple systems resulting in inconsistency. While the Co-op is member-owned and not regulated by the Public Utilities Commission (PUC), they operate the same as other utilities; the only difference is in the ratemaking. Concern was expressed about language pertaining to a 20% floor. It was reiterated, the formula with the 20% floor was opposed and the premise of the weighted average formula was to recognize that net book value does go to zero and weighting more heavily on original cost. The data from the Co-op shows the most significant range in assessments because of mass accounting. Inequity happens when an asset is placed in a town and the original cost is not accounted for in that town, it is allocated to all other towns with assets owned by the Co-op. It is essentially the same objection with the State's formula; using an allocation of a value that should be in one community; that is not how assessing works. It was agreed it was a difficult request for the Co-op to change how they keep their books however having a formula be applied to all other regulated utilities and not the Co-op, is not right. The statement was made that this decision will tell all regulated utility companies how their property will be valued so in that respect, the Co-op is being treated the same as the others. It was suggested this be clearly stated to the legislature that this needs to be done for consistency purposes and then let the legislative process work.

Ms. Shapiro stated it would be difficult to support this not knowing what it will require. It may be doable, it may not be but there is no clear answer and they don't know what the implications might be. She confirmed the issue with the Co-op is that the original cost and net book value are not broken about by municipality. Rather than prescribing a solution; maybe a principle is more appropriate to provide for an efficient, equitable and transparent reporting process, whatever that may be. She is not comfortable telling a company to change to an accounting system that may take 20 years to look like the other utilities. Mr. Boldt stated that would be giving the issue to the legislature to solve which the Commission has said they do not want to do and he suggested that be part of the minority report.

Mr. Gerzon clarified how the Co-op's accounting system differs from regulated public utilities. They still account for new assets on a local town-by-town basis and in the first year or two of the implementation those assets will be identical because they identify assets when placed into service at the local level because they do not know where the depreciation goes. They then do an average analysis on a so-called FERC account basis and socialize that to every town and that does create a disparity but not as wide a disparity as has been implied. The original cost goes in and diverges over time. It was suggested 70% of the value will be identical for all utilities; it is the 30% that may *be different. Discussion ensued. Concern was expressed about this holding up the entire process for this particular issue as there were valid points and concerns on both sides. Mr. Bartlett suggested the following language:*

*“In those instances where a utility company does not have original cost or net book value broken out by separate municipalities, the proposed legislation should **strongly urge such utility company to develop an accounting system which properly reports such assets**.”*

Mr. Boldt included Ms. Shapiro’s suggestion with the original language and suggested the following:

*“In those instances where a utility company does not have original cost or net book value broken out by separate municipalities, the proposed legislation should **require such utility company to develop an accounting system that properly reports such historic asset** categories in an efficient, equitable and transparent manner consistent with other utility companies.” Discussion followed.*

Ms. Rosenberger, representing the Co-op, stated they understand the desire to have a consistent method of accounting; their accounting office has looked into it and it will not be a simple task. There is no way to know, at this time, how laborious, expensive or administratively troubling it might be and what they cost will be to their members who are also their owners. They do support the effort and will commit to find a way to do it like the other regulated utilities and respectfully request the requirement to develop a plan be removed. They are not happy with being required to develop a plan and feel Ms. Shapiro’s language of “to provide efficient, equitable, and transparent…” essentially says they have to do it; which they are committed to do and have already started. She added that she hopes to have more accurate information about costs, administrative needs, etc., by the time the legislation gets to the House and Senate in January and February.

Mr. Boldt responded this is a recommendation to the legislature; a recognition that they will have to do something different going forward to report the same as the other utilities. There are requirements on both the municipalities and the other utilities and the Co-op will have the ability to make their case to the legislature. We are not coming up with the solution; the intent is to make it clear to the legislature there is a problem that needs to be addressed. A brief conversation followed about using the word “may” versus “should.” It was reiterated the Co-op will have the opportunity to address this concern with the legislature. One other requested change was to remove the word “properly.” After further discussion, Mr. Boldt read the final language:

“In those instances where a utility company does not have original cost or net book value broken out by separate municipalities, the proposed legislation should require such utility company to develop an accounting system that reports such asset categories in an efficient, equitable and transparent manner consistent with other utility companies.”

A discussion followed about how the legislature will come up with a solution when there is no certainty that it can be done. The effort to achieve consistency, transparency and predictability will take time as any legislative fix generally does and that is why the glide path is so important. It is understood it will be a difficult change for the Co-op. Concern was expressed about the cost effect this type of change will have on the company and ratepayers which is unknown at this time. It was noted there will be public hearings on this legislation and after such an effort, the legislature will decide wither it is a reasonable or unreasonable requirement. No further objections were made on the final language.

Discussion followed about what year and value will be used in the formula at the time of adoption. A suggestion was made to establish a base year, which would be the year before the formula was implemented, to freeze the municipal assessed values and then new assets would then be valued using the proposed method. Other suggestions were April 1, 2019 or the phrase “For the tax year immediately prior to the time of adoption.” The *question asked what the burden would be to try to do this in 3-years versus 5-years. It was suggested many towns could do it in three years however it is the outlier towns that will have a significant impact and the 5-years would provide the fairest transition. The challenge will be to get this into legislation as there will be towns on the extreme ends pushing for this not to pass.*

The question was raised what value would be used if there was abatement for a different value. Mr. Bartlett stated there will be values frozen for municipalities that are over and under assessed; this formula provides for benefits on both the municipal and utility sides to make sure that everyone is treated fairly. He would oppose any suggestion for the utility company to be able to come in two years later and receive an abatement. Once the values are frozen, those values should be used for the 5-year phase-in. Ms. Shapiro requested the legal issue of staying be presented in a separate point rather than within paragraph 8 for clarity. Further discussion followed about paragraph 8. Mr. Bartlett suggested using the 2018 assessed value as the base year. One, values are known and two, if there are any on-going court cases, they should be solved before the formula goes into place. There was a consensus to use 2018 as the base year value.

Mr. Boldt reiterated paragraph 9 is the post glide path window of implementation. Paragraph 10 states all appeals would go through the Board of Tax and Land Appeals (BTLA). Discussion followed. Some opinions offered included having the option to go to either the BTLA or Superior Court was a choice of due process; it would require a legislative change to allow; the BTLA should be the only option for a taxpayer because they understand assessing; this formula is based on a procedure to be established by the legislature; it is cut and dry and should be done by individuals who understand assessing, this formula and how to apply it. Judge Fauver offered as confident as superior court judges are in many areas, assessing is one area they would prefer be with a group who understand the ins and outs of the application of various formulas for taxation. He believes the BTLA is the appropriate venue to provide timely justice and determinations. The question was raised whether there was an appellate process to the Supreme Court; this was not confirmed. The number of cases currently pending at both the BTLA and various superior courts was reiterated. After further discussion, it was agreed the BTLA would provide the best opportunity for expertise, consistency of interpretation and efficiency. Ms. Shapiro stated that she did not agree with this.

<u>Paragraph 11</u>: Mr. Boldt stated this is the paragraph to get rid of litigation that had some opposition. A discussion followed about an effective date of legislation and an end date to provide a 1-year incentive for the parties to resolve their cases. Judge Fauver explained the operative date of the legislation would be one year after the final resolution of all pending litigation between the utility companies and taxing municipalities for 2017 and earlier; and the formula shall go into effect not later than 2021. Discussion followed. It was suggested that once some of the pending cases are settled, more will follow. Mr. Hamilton explained an example of a similar situation, the low-income housing tax credit. At the time, most properties of this type were under appeal. The ASB took up the issue and recommended legislation to provide a formula to value those properties and a way for property owners to option into a valuation process. Most of those appeals resolved through settlement given the atmosphere of the new law. While that may not happen with this process, he felt having a predictable way forward will encourage resolution. His concern with the proposed language is there could be one holdout that could delay the efficiency of the implementation.

Mr. Boldt suggested adding the following language as paragraph 12 to prevent either side from using the adopted formula in pending cases:

"Given the status of case law referenced above (that first background paragraph) the good faith efforts to reach compromise by the various stakeholders (like we said in the findings) and the need to maximize potential benefit to the taxpayers and ratepayers in our community, the Commission urges that the proposed legislation contain a clause expressly states the methodology adopted herein is not to be construed by any court or BTLA as applicable to the pending litigation."

Discussion followed about how long to provide pending litigation to be settled. Suggestions included 2020 and 2021. A request was made to reread the language in paragraph 11.

"The effective date of the proposed legislation should, as part of this balanced compromise and in order to maximize the potential savings of the ratepayers and the taxpayers, be one year after the final resolution of all the pending litigation between the various utility companies and the various municipalities for tax years 2018 and earlier but not later than tax year 2021."

It was explained that the court cases can take years and having the formula established but not being able to be used for pending cases may provide an incentive. It was suggested changing the 2020 in the above paragraph to 2021. The second paragraph was then read:

"Given the status of the case law as referenced above, the good faith efforts to reach compromise by the various stakeholders and the need to maximize potential benefits to the taxpayers and ratepayers in our communities, the Commission urges the proposed legislation contain a clause that expressly states that the methodology adopted herein, is not to be construed by any court or the BTLA as applicable to the pending litigation between the various utility companies and the various municipalities for tax years 2018 and earlier."

There was a consensus the report will contain the language in paragraphs 11 and 12 as revised.

Representative Moffett requested the following language be considered as an addition to the background paragraph prior to the court case history:

"For decades, NH municipalities and utilities have been caught up in expensive and time-consuming litigation over different methods of valuing utility property for purposes of local property taxation. The courts have allowed up to five different ways of appraising utility property and our statutes allow appeals to either the BTLA or to the superior court, wherever the appealing party feels they will get a more favorable position. The result has been that similar utility property is often valued for local property tax purposes at significantly different and inconsistent ~~rates~~ ***values*** *even in adjoining towns.*

This litigation has been financed on their respective sides by utility ratepayers and local property taxpayers who are often the same people in any given town. ~~The results have served the interests of a small cottage industry of consultants and attorneys but not that of the general public.~~"

A couple of changes were suggested. Representative Moffett also requested the statement made by the Supreme Court be included. Mr. Boldt indicated the statement was made in the 2017 PSNH appeal and it was a lengthy paragraph however the last sentence was: "However, the decision to adopt a uniform methodology belongs to the legislature not this court." Representative Moffett stated that is what he was looking for.

<u>Minority Report</u>

Ms. Shapiro indicated she would be submitting a minority report that would include her vote for the 50/50 formula based on the deficiency of information and noted the difference between this formula and the 65/35 was much narrower than where the assessments are today. She felt a lot of good work was done trying to find a balanced approach on the appeal rights and that she wants to review the language to finalize her thoughts but feels they are in a good place.

A discussion followed about continuing the work, outside the purview Commission.

5-minute break

Mr. Boldt read the changes the Representative Moffett's suggested language discussed during the break:

"For decades, NH municipalities and utility companies have been ~~caught up~~ ***engaged*** *in expensive and time-consuming litigation over different methods of valuing utility company assets for purposes of local property taxation. The courts have allowed up to five different methodologies for appraising utility company assets and our statutes allow appeals by the taxpayers either to the BTLA or to the superior court, wherever the appealing taxpayer feels they will get a more favorable position. The result has been that similar utility company assets are valued for local property taxation purposes at significantly different and inconsistent values even in adjoining municipalities. This litigation has been a financial burden on the respective sides comprised of the utility ratepayers and the municipal taxpayers who are often the same people in any given town."*

Mr. Boldt then explained the only other change that would be made to the background section is the addition of the language requested by Representative Moffett. It will follow the last line of the decision, "Moreover, the court has long-noted that this is a problem for the legislature to fix. ***The decision to adopt such a uniform methodology belongs to the legislature not this court."***

Chair Abrami asked, without objection and understanding there will be a minority report, if everyone was comfortable with the report as reviewed and the addition of the new paragraphs to be submitted. Mr. Bartlett ***motioned to submit the report as written****; Ms. Patten* ***seconded the motion****. Mr. Boldt stated he will review the changes and determine whether or not he will submit a minority report. Chair Abrami stated the report will include at least one minority report; maybe two. He called the motion.* ***Motion passed unanimously.***

Mr. Thomson thanked the Commission, the working group and the ASB for their work. He thanked Chair Abrami for his fairness in reaching out to all the parties involved from the working group to the Commission and bringing in the assessors and utilities. He added if this issue goes forward through the legislature and does what we all hope it will do, we will all have served the taxpayers and ratepayers of the State of NH.

Chair Abrami thanked the working group for their extra meetings and analyzing the information provided; it made the work a lot easier to have some actual numbers to get our heads around. He also thanked Jennifer for all her behind the scenes work; Mr. Boldt for taking the lead and compiling the report; and the DRA for assisting with the minutes.

A brief discussion followed about the process to review and approve the prior meeting minutes. Chair Abrami indicated the minutes, once received, will be forwarded to the Commission members for review and comments and once all comments have been received and changes made, they will be voted on. Once approved, they will be incorporated in the report by reference and added.

Mr. Boldt stated he would have the report to Jennifer this afternoon and it will be circulated as a PDF to the members.

Meeting was adjourned.

Respectfully submitted,

Stephanie Derosier
Municipal and Property Division
NH Department of Revenue Administration

All meetings are recorded and available upon request.

Documentation relative to the Commission to Study Utility Property Valuation may be submitted, requested or reviewed by:

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In writing to:
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