



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

**PUBLIC UTILITIES COMMISSION**  
89 Jefferson Blvd.  
Warwick RI 02888  
(401) 941-4500

**Chairperson Margaret E. Curran**  
**Commissioner Marion S. Gold**  
**Commissioner Abigail Anthony**

MEMORANDUM

To: Celia O'Brien, Esq.  
From: Cynthia G. Wilson-Frias, Deputy Chief of Legal Services  
Date: March 12, 2018  
In re: Docket 4808 – Review of The Narragansett Electric Company d/b/a National Grid's revenue requirement under R.I. Gen. Laws § 39-3-11 in light of The Tax Cuts & Jobs Act

On December 22, 2017, the Tax Cuts and Jobs Act of 2017 was signed into law. Many other public utilities commissions across the country have mandated the investor-owned utilities in those states file to reduce current rates to reflect the tax cuts on the revenue requirement for calendar year 2018. The PUC has initiated dockets to address the issue with other investor-owned utilities.

On February 2, 2018, the Massachusetts Department of Public Utilities (DPU) ordered the National Grid companies, in addition to others, by May 1, 2018, to, as of January 1, 2018, (1) account for as a regulatory liability any revenues associated with the difference between the previous and current federal corporate income tax rates and excess accumulated deferred income taxes resulting from the lower federal corporate income tax rates and (2) submit a proposal to revise rates consistent with the directives contained herein.<sup>1</sup>

While The Narragansett Electric Company d/b/a National Grid has a rate case currently pending before the Public Utilities Commission (PUC), the new revenue requirement and rates, based on the new tax law, will not become effective until nine months into the calendar year. Therefore, the PUC requests that The Narragansett Electric Company d/b/a National Grid (electric and gas) provide Rhode Island-specific information, consistent with the DPU Order referenced above by May 1, 2018 or explain within 10 days why the PUC should not require the information expected of the Massachusetts National Grid Companies by the DPU.

---

<sup>1</sup> D.P.U. 18-15, Investigation by the Department of Public Utilities, on its own Motion, into the Effect of the Reduction in Federal Income Tax Rates on the Rates Charged by Electric, Gas, and Water Companies. (Feb. 2, 2018).