



COMMONWEALTH OF MASSACHUSETTS

Department of Telecommunications and Cable

1000 Washington Street, Suite 820, Boston, MA 02118

(617) 305-3580

www.mass.gov/dtc

CHARLES D. BAKER
GOVERNOR

KARYN E. POLITO
LIEUTENANT GOVERNOR

JAY ASH
SECRETARY OF HOUSING AND
ECONOMIC DEVELOPMENT

JOHN C. CHAPMAN
UNDERSECRETARY

KAREN CHARLES PETERSON
COMMISSIONER

October 06, 2015

Department of Telecommunications and Cable Regulation Review Pursuant to Executive Order No. 562 To Reduce Unnecessary Regulatory Burden

NOTICE SEEKING COMMENT
HEARING OFFICER RECOMMENDATION
220 C.M.R. 78.00 ACCOUNTING TREATMENT OF
INVESTMENT TAX CREDIT FOR UTILITIES

By Executive Order No. 562, dated March 31, 2015, the Governor's Office directed each Executive Agency, including the Department of Telecommunications and Cable ("Department"), to undertake an immediate review of its regulations.¹ These reviews must be generally concluded by March 31, 2016, and may result in rescission or revision of certain regulations.² As Title 220 has been assigned to the current Department of Public Utilities ("DPU"), the Department intends to promulgate its own version of the regulations and any revision thereto under Title 207, as appropriate.³ If the Department finds a Title 220 regulation unnecessary to the exercise of its jurisdiction it will not seek to promulgate its own version of the regulation in Title 207.

The Hearing Officer having reviewed the regulatory history of 220 C.M.R. 78.00, Accounting Treatment of Investment Tax Credit for Utilities recommends that the Department not promulgate its own version of the regulation in Title 207. 220 C.M.R. 78.00 was adopted in 1963, to establish uniformity in the tentative accounting treatment of the Investment Tax Credit under the Federal Revenue Act of 1962 for all utilities under the Department's jurisdiction. While telecommunications companies could have remaining balances from unamortized Investment Tax Credits affecting some of their remaining regulated rates, there does not appear to be a compelling reason for promulgating a version of this regulation in Title 207. The Department could apply the appropriate accounting standard through precedent in an

¹ See Office of the Governor, Commonwealth of Massachusetts, Executive Order No. 562 (Mar. 31, 2015) ("Executive Order").

² *Id.*, § 2.

³ See Request for Comment and Notice of Listening Session at 2; n.5. The Department is reviewing each regulation individually and does not preclude the possibility it may be appropriate to retain joint jurisdiction over a regulation under Title 220 and not promulgate its own version under Title 207.

adjudicatory rate proceeding should such an action be warranted. As such, 220 C.M.R. 78.00 appears to be unnecessary to the fulfillment of the Department's duties and not otherwise mandated by current law. Accordingly, the Department seeks comment on the Hearing Officer's recommendation to not promulgate its own version of 220 C.M.R. 78.00, Accounting Treatment of Investment Tax Credit for Utilities, in Title 207.

The Department seeks comment on these preliminary hearing officer recommendations so that it may address any stakeholder concerns before the Department adopts a formal proposal. Comments should be submitted to the Department on or before **October 20, 2015**. In the interest of efficiency, the Department strongly encourages electronic filing. Interested stakeholders may submit written concerns or recommendations to the assigned Hearing Officer's email address Michael.Scott@state.ma.us and to dtc.efiling@state.ma.us. Comments may also be mailed in hard copy to the Department at:

Sara J. Clark, Secretary
Department of Telecommunications and Cable
1000 Washington Street, Suite 820
Boston, MA 02118-6500

Submittals should include the name, title, and telephone number of a person to contact in the event of questions about the filing. **Please be sure to reference "Department Reg Review" and 220 C.M.R. 78.00 in the subject line of all submissions.** Note that all filings submitted to the Department are subject to disclosure pursuant to G. L. c. 66, § 10, unless protected by statutory exemption. All comments will be posted to the Department's website.

For questions about this Notice, contact Hearing Officer Michael Scott at (617) 368-1114 or Michael.Scott@state.ma.us.