



GENERAL INSTRUCTIONS

**WHO SHOULD FILE**

RSA 83-F:4 defines "Persons Liable" as follows: "The tax imposed by this chapter shall be assessed upon each utility owning or possessing utility property. If an owner of utility property has filed an election pursuant to RSA 83-F:5, II, the tax imposed by this chapter shall be assessed upon each person with an ownership interest in utility property, in the proportion that such person's ownership interest bears to the entirety of the ownership in the property."

**WHEN TO FILE**

The completed form is due on or before May 1, 2024. RSA 83-F:5,V(a).

**EXTENSION & LATE FILING PENALTY**

Pursuant to RSA 83-F:5,V(b), if a filing extension is required the taxpayer shall submit a request to the New Hampshire Department of Revenue Administration (NHDRA, "Department") using Form PA-20-EXT "Request for Extension to File Utility Property Tax Information Update." If the taxpayer is unable to file the form as required under RSA 83-F:5,V(a) or (b), penalties will be assessed under RSA 83-F:5,VII. RSA 83-F:5,VII states that "Any person who fails to file a completed form as required under paragraph V on or before May 1, or by the date granted by an extension, if applicable, shall pay a penalty of one percent of the property tax for which the person is liable. In no case, however, shall the penalty be less than \$250 or more than \$2,500. This penalty shall be treated as incident to the tax and shall be in addition to any other penalty applicable pursuant to paragraph VI."

**WHERE TO FILE**

File online at Granite Tax Connect [gtc.revenue.nh.gov/TAP/](https://gtc.revenue.nh.gov/TAP/) / or mail to NHDRA, Municipal and Property Division, Attn: Utility Appraiser, PO Box 487, Concord, NH 03302-0487.

**NEED HELP?**

Call the Municipal and Property Division at (603) 230-5950, Monday through Friday, 8:00 a.m - 4:30 p.m. or email [utilities@dra.nh.gov](mailto:utilities@dra.nh.gov). All written correspondence to the Department should include the taxpayer name, taxpayer identification number, the name of the contact person, and a daytime telephone number.

**NEED FORMS?**

To obtain forms, call the Forms Line at (603) 230-5001 or visit our website at [www.revenue.nh.gov](http://www.revenue.nh.gov).

**ADA COMPLIANCE**

Individuals who need auxiliary aids for effective communications in programs and services of the New Hampshire Department of Revenue Administration are invited to make their needs and preferences known. Individuals with hearing or speech impairments may call TDD Access: Relay NH 1-800-735-2964.

**STEP 1: OWNERSHIP & CONTACT INFORMATION**

**NAME OF UTILITY COMPANY (TRADE NAME):** This is the common or legal trade name of the utility property.

**AMENDED CHECKBOX:** This checkbox would need to be checked if this is an amended version of this form.

**NAME OF OWNER:** The name of the legal ownership of the utility, if different from name of the utility or trade name.

**NAME OF PARENT COMPANY:** In instances where the utility is a subset of a larger parent company that files consolidated tax returns that include the utility, provide the name of the parent company.

**TAXPAYER IDENTIFICATION NUMBER:** Provide either the Federal Employer Identification Number (FEIN) or the Social Security Number (SSN) that applies. A valid identification number is REQUIRED for billing purposes for payment of the utility property tax. This number must match the number used when filing all NH tax returns for this entity.

**POINT OF CONTACT - UTILITY OPERATIONS:** Fill in all blocks with information pertaining to the contact person associated with the utility's actual day-to-day operations.

**POINT OF CONTACT - TAX NOTICE & BILLING:** Fill in all blocks with information pertaining to the contact person associated with the utility's accounting/finance and valuation issues, and recipient of the annual tax notice.

**ASSET IDENTIFICATION:** Fill in all blocks with information pertaining to identifying the assets including the physical address if one is available, the Map/Lot number(s) assigned by the municipality, the year the asset was built and the year it was most recently refurbished, if applicable. If the plant has been upgraded or substantially refurbished, attach a statement summarizing the changes. If there are multiple locations, attach a schedule providing the required information for all assets by municipality.

**STEP 2: SALE AND/OR LISTING HISTORY**

Per RSA 83-F:5,VIII, a sale or transfer of a utility's property or assets must be reported. The change in asset ownership can be the result of a sale of the fee simple interest, a leasehold interest, a partial interest, a transfer of stock ownership or other interests. If no changes in ownership were made in the prior three years, check "No." If the utility property has changed ownership within the prior three years, check "Yes" and attach a detailed summary and a copy of the sale agreement. If a copy of the sale agreement has previously been submitted to the Department it does not need to be submitted again. State what year the document was previously submitted. The detailed summary must include:

- Grantor (seller) and grantee (buyer)
- Date sale was consummated (closed)
- Sale price in U.S. dollars
- A description of the assets included in the sale
- A description of the condition or operational status of the property or any other issues that may have had an impact on the sale price
- A statement as to whether this was an arm's-length transaction (e.g. no duress, unrelated parties) or was not (e.g. related parties, duress or other circumstances that may have caused the sale price to be more or less than market value)

If within the past year the utility property has been offered or listed for sale, been placed under agreement or under option for sale, or if an offer to purchase has been received, provide all salient information. Attach a detailed summary including any pertinent dates, prices, terms and results of the transaction.

**STEP 3: REGULATION BY GOVERNMENT AGENCY**

If you are regulated in any manner by a government agency, answer the applicable questions by placing an 'X' in the appropriate box. For any regulating agency other than those listed, place an 'X' in the "Other" box and provide the agency name. Regulated entities must identify the allowed % return on equity (ROE) for the following operational categories: generation, transmission, or distribution, where applicable. This should be the maximum return on equity authorized by the regulating agency. Do not enter the overall rate of return (ROR), which is the return on debt and equity.

**STEP 4: POLLUTION CONTROL EXEMPTION**

If you are claiming an air and/or water pollution control exemption(s) as described in RSA 72:12-a, check the box "Yes" and attach a copy of Form PA-20-E and a copy of the exemption approval letter from the NH Department of Environmental Services (NHDES).



**GENERAL INSTRUCTIONS (continued)**

If you have previously submitted the letter from NHDES, it does not need to be submitted again, but you must state what year the letter was submitted to this Department. If you are not claiming an air or water pollution control exemption, check the box "No".

**STEP 5: COMPANY ASSET INFORMATION**

**SECTION 5-A - ACCOUNTING PERIOD:** Indicate whether the information provided reflects accounting information ending on December 31 by checking that box, or some other fiscal year (provide the year-ending date).

**SECTION 5-B - ASSET STRUCTURE BY TYPE & PERCENTAGE:** Indicate the type(s) of operation of the utility by entering the percentage of revenue attributable to each type of operation. If there is only one type of operation, enter 100% in that category. If there are multiple types of operation, enter the percentage attributable to each type in the appropriate box. The three boxes should add up to 100%.

**SECTION 5-C - COMPANY ASSETS COST BASIS:** There are two columns that both need to be completed; EVERYWHERE ASSETS and NH ASSETS. If the utility is located exclusively in New Hampshire, complete BOTH the "Everywhere" and "New Hampshire" columns, entering the same amounts in both columns even though the information is identical. If the utility owns assets in other states but is able to segregate out just the New Hampshire cost basis as well as the New Hampshire discrete revenue and expenses, include only the New Hampshire asset amounts in both columns.

If the assets, revenue or expenses cannot be segregated to just New Hampshire (e.g. a transmission line that crosses state lines), include the cost basis of the utility assets in all states in the "Everywhere" column. The "Everywhere" column captures the tangible and intangible utility assets located "everywhere," which includes assets located inside and outside of New Hampshire. The "NH Assets" column captures the tangible and intangible utility assets located only in New Hampshire.

**LINE 1 UTILITY PLANT - OWNER'S COSTS:** INCLUDE all of the owner's costs of construction or acquisition of the utility property such as land, land rights (easements, rights-of-way, etc.), buildings, improvements, equipment (including pollution control equipment), capitalized leases, capitalized contracts, property held for future utility use, construction work completed but not yet categorized, intangibles, and non-taxable property, prior to any depreciation and amortization. This constitutes the accumulated original cost basis of all tangible and intangible assets that were paid for by the current utility owner whether by construction or acquisition, with annual adjustments made for additions and retirements. DO NOT INCLUDE CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC).

**NOTE TO REGULATED (FERC / NHPUC) COMPANIES:** The cost amount for utility plant requested in this line, differs from the amount shown in the regulatory report. The regulatory report merges the owner's costs and CIAC. The Department requires these two numbers to be separate. The CIAC amount is accounted for in Step 5 Line 3. DO NOT INCLUDE non-utility-related property (property not held for or not used in utility service). Do NOT combine CIAC or Construction Work in Progress (CWIP) with the utility plant; keep these costs separate on Lines 2 and 3.

**LINE 2 CONSTRUCTION WORK IN PROGRESS (CWIP):** CWIP represents a temporary balance sheet account that tracks all costs associated with construction, fabrication, and capital equipment purchases that are in progress but not yet in service.

Costs remain in CWIP until the construction of the asset is completed, at which time the capitalization and depreciation process begins and the costs are transferred to their appropriate asset account for accounting purposes.

**LINE 3 CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC):** This includes utility assets owned and used by the utility for utility services that were paid for by donations from entities other than the utility company. Typical sources of donations for CIAC could include:

- Grants, typically from state or federal agencies
- Donations from other governmental units
- Developer agreement donations
- Other utility companies
- Special assessments
- Impact fees

The donation can be in the form of cash, services, property or other types of goods. Do NOT include any CIAC amounts in Line 1 of Step 5-C. The CIAC amount should be shown as a positive number, not a negative number.

**LINE 4 TOTAL GROSS ORIGINAL COST BASIS:** Add Lines 1 through 3 to arrive at the total gross original cost basis from all sources. The information you provide in the "NH Assets" box of Line 4 must match the information provided in Step 11 "Breakdown of All Assets in NH" for the Original Cost Basis in NH in Line 20.

**LINE 5 ACCUMULATED DEPRECIATION/AMORTIZATION OF UTILITY PLANT:** This represents the accumulated TOTAL depreciation and amortization of all of the utility's assets (tangible or intangible, owned or capital leased), not including amortization or depreciation of CIAC, up to and including the current tax year.

**LINE 6 ACCUMULATED AMORTIZATION OF CIAC:** This is the accumulated TOTAL amortization associated with CIAC (the assets given to the utility), up to and including the current tax year.

**LINE 7 TOTAL ACCUMULATED DEPRECIATION/AMORTIZATION:** Add Lines 5 and 6 to arrive at the total accumulated depreciation and amortization from all sources up to and including the current tax year.

**LINE 8 TOTAL NET BOOK VALUE:** The required calculation is Line 4 (Total Gross Original Cost Basis) minus Line 7 (Total Accumulated Depreciation/Amortization) to arrive at the Total Net Book Value. This captures the tangible and intangible assets located "Everywhere" and in "NH Only" after applying depreciation and amortization. The information you provide in the "NH Assets" box of Line 8 must match the information provided in Step 11 "Breakdown of All Assets in NH" for the Net Book Value in NH in Line 20.

**LINE 9 NON-TAXABLE PROPERTY:** Non-taxable property includes such items as: office furniture; administrative office equipment; transportation equipment; stores equipment; tools, shop, and garage equipment; and miscellaneous portable equipment. Do NOT include communication equipment that is indispensable to and necessary for current plant operations or monitoring (e.g. items related to SCADA, AMI, LMR, etc.). Similarly, do NOT include specialized software or computer hardware that is used in plant operations or monitoring of any type.

Do not include equipment that is eligible for a pollution control exemption; those items are reported in Form PA-20-E. If you are claiming non-taxable property, you MUST provide both the original cost basis (everywhere) and the current net book value (everywhere), and provide a detailed schedule showing what accounts are included and their respective original cost and net book amounts.

**LINE 10 LAND AND/OR LAND RIGHTS:** Land represents a balance sheet account that tracks all costs associated with Land, either owned or accounted for as a capital lease. This includes land,



**GENERAL INSTRUCTIONS (continued)**

easements, and/or rights-of-way (ROW) as well as the capitalized value of leased land, easements, or ROWs. Do not include any consideration for land held under an operating lease.

**LINE 11 INTANGIBLES:** Intangibles are capitalized assets that retain value and cannot be physically "touched." These assets include such items as:

- Costs of obtaining certificates, licenses, franchises, or consents authorizing an enterprise to engage in the public-utility business. The authorization must be running in perpetuity or for a specified term of more than one year.
- Fees and expenses for incorporation, mergers, consolidations, or office expenses incident to organizing the utility.
- Trade secrets, copyrights, franchise agreements, patent, trademarks, and goodwill.

**LINE 12 MATERIALS AND OPERATING SUPPLIES:** This includes the cost of materials and supplies purchased primarily for construction, operation and maintenance purposes but as yet are unapplied and held in inventory. Materials & supplies are separate from utility plant included in Line 1 because they have not yet been incorporated into the utility plant account. Include any spare parts if they have not been booked to the utility plant account.

**SECTION 5-D - COMPANY CAPITAL STRUCTURE BREAKDOWN**

**LINE 1 LONG-TERM DEBT:** Enter the accounting balance sheet data, per book, associated with all long-term debt, to include mortgages, notes, and bonds payable in 1 year or more, and other long-term liabilities. This includes debt to related parties and intercompany debt.

**LINE 2 PREFERRED STOCK:** Enter the accounting balance sheet data, per book, associated with preferred stock, if a corporation.

**LINE 3 COMMON EQUITY:** Enter the accounting balance sheet data per book associated with: common and preferred stock if a 'C' corporation; capital stock if an 'S' corporation; or partner's capital accounts if a partnership. If a sole-proprietorship, enter the owner's equity. The amount entered in line 3 should include additional paid-in capital and retained earnings.

**LINE 4 CURRENT LIABILITIES:** Enter the accounting balance sheet data, per books, associated with all current short-term liabilities, to include mortgages, notes, and bonds payable in less than 1 year, accounts payable and other current liabilities.

**LINE 5 TOTAL CAPITAL STRUCTURE:** Add Lines 1 through 4 to arrive at the company's total capital structure.

**STEP 6: OPERATIONAL DATA**

**NOTE:** This step applies to only electric generating plants.

**LINE 1 TOTAL GROSS NAMEPLATE CAPACITY:** Enter the gross nameplate rated capacity of the facility (or total facilities if more than one plant) for the three prior years. Identify the unit of measure for your type of facility by checking the appropriate box (MW, kW). If the nameplate capacity has changed within the past three years due to additions or retirements, show the nameplate that was in existence as of each year and attach an explanatory statement.

**LINE 2 TOTAL ACTUAL ANNUAL PRODUCTION:** Enter the total actual annual production for the three prior years. Identify the unit of measure by checking the appropriate box (MWh, kWh).

**NOTE:** Lines 3-8 apply only to plants that burn a fuel to generate power, such as gas, oil, coal, wood etc. Plants that use a renewable resource such as wind, water or the sun to power the plant do not need to complete these six lines.

**LINE 3 TYPE OF FUEL:** Indicate the type of fuel that the plant burns to generate power.

**LINE 4 PHYSICAL UNIT:** Indicate the type of physical units the fuel consumption is reported in.

**LINE 5 PHYSICAL FUEL CONSUMPTION:** Enter the total amount of fuel consumed in physical units for each of the prior three years. If more than one type of fuel is consumed, enter the two primary fuels in Line 5 on separate lines and indicate the type of fuel for each line. If more than two types of fuel are consumed, attach an additional sheet indicating the data for the other fuels.

**LINE 6 MMBtu's CONSUMED:** Enter the MMBtu's consumed for the two primary fuels in Line 6. Indicate the unit name or ID# and the type of fuel for each. If more than two types of fuels are consumed, attach an additional sheet with the data for the other fuels.

**LINE 7 HEAT RATE:** Indicate the heat rate for each unit for the prior three years. If there is more than one generating unit, provide separate heat rate histories for each unit and provide an identifying name or description for each unit so that it is clear to which generator the heat rate applies. If there are more than two units, attach an additional sheet with the same data for the additional units.

**LINE 8 FUEL COST PER MMBtu:** Provide the average annual fuel cost per MMBtu for each type of fuel. Enter the two primary fuels in Line 8. If the plant uses more than two types of fuel, attach an additional sheet with the data on the other fuels.

**STEP 7: REVENUE DETAIL EVERYWHERE**

**SECTION 7-A - REVENUE**

**LINE 1 TOTAL SALES REVENUE:** Enter the total sales revenue for your facility from the generation, transmission or distribution, or any combination thereof, of electricity, gas, oil, water or sewer for each of the three prior years. The amount reported on this line should include only the revenue from your primary product or service, such as the sale of energy or water, the transportation of electricity, gas or oil or the transportation/disposal of sewage. Do NOT include ancillary revenue on this line; it is reported in Line 4.

**LINE 2 CAPACITY PAYMENT REVENUE:** If you have been qualified to participate in the Forward Capacity Market (FCM) auctions through ISO-NE, enter the amount of FCM revenue that was received in each of the three prior years.

**LINE 3 TOTAL RENEWABLE ENERGY CERTIFICATE (REC)**

**REVENUE:** If your facility produces energy from a renewable source (hydro, bio-fuel, wind, sun or other) and is selling RECs or approved to sell RECs, enter the revenue from the sale of RECs for each of the prior three years. Indicate in which State you have been approved for the sale of RECs (NH, MA, CT, RI, ME, VT) and for which class of RECs your facility has been approved (Class I, II, III, IV or other). Include the approval information even if you have not received any REC revenue in the prior three years.

**LINE 4 TOTAL ANCILLARY REVENUE:** Ancillary revenue is received from the sale of goods or services that differ from the main services or products of the company. In the electric utility industry, it can include such things as scheduling and dispatch, reactive power and voltage control, frequency control, operating reserves and black start services. For other utilities it could include such things as service revenues, rents and miscellaneous other minor revenues. Provide a schedule detailing the various sources of ancillary revenue for the prior 3 years.

**LINE 5 TOTAL UTILITY REVENUE:** Add Lines 1-4 to arrive at total utility revenue for each of the three prior years.



**GENERAL INSTRUCTIONS (continued)**

**SECTION 7-B - PRODUCTION, OTHER TAX BENEFITS, & CREDITS**

**LINE 1 PRODUCTION TAX CREDITS (PTC):** Enter the amount of production tax credits the utility is receiving that are not subject to federal income tax for each of the three prior years. Enter the total years that tax credits are available. Enter the number of years of credits that have expired.

**LINE 2 OTHER TAX CREDITS/BENEFITS:** Enter all tax credits, offsets, and other benefits that the utility receives from any other sources that are not subject to federal income taxes for each of the three prior years. Provide a description of these other credits/benefits.

**LINE 3 TOTAL CREDITS/BENEFITS:** Add Lines 1 and 2 to arrive at the total credits and benefits received during each of the three prior years.

**STEP 8: CONTRACT OR RATE DETAILS AND CUSTOMER INFORMATION**

**A. GENERATING PLANTS**

**LINE 1 BINDING PRICE ARRANGEMENTS:** If you are subject to any existing or pending power purchase agreement, rate agreement, rate order, tolling agreement, or other contractual arrangement that impacts the price at which you can sell the output of your plant, check the "Yes" box. If not, check the "No" box. If yes, attach a detailed summary of any agreements to include the following information: names of entities, commencement date, termination date, and contract rate amount including any expected changes in rate, and timing or duration. If you are engaged in any discussions wherein a purchaser intends to buy-out a contract, please describe the status of these discussions. If the contract/agreement is intracompany, or with a related party of any type, identify the relationship.

**LINE 2 NEGOTIATIONS IN PROCESS:** If you are engaged in negotiations for sale of the future output of the plant, check the "Yes" box. If not, check "No."

**LINE 3 RELATED PARTIES:** If the existing or pending price arrangement is with a related or intracompany party, check the "Yes" box. If not, check "No."

**B. DISTRIBUTION OR TRANSMISSION COMPANIES**

**LINE 1 RATE ORDERS:** Enter the date of the last rate order upon which your current rates are based and include the Rate Order Number or Docket Number.

**LINE 2 OPEN RATE CASE:** If there is a current open rate case for this company check the "Yes" box and enter the Docket Number. If there is not an open rate case, check the "No" box.

**LINE 3 NUMBER OF CUSTOMERS:** This applies only to companies distributing electricity, gas, water or sewer to retail customers. Provide the total number of customers as of the year-end for each of the prior three years. If you are anticipating adding additional customers in the current year, provide an addendum with the estimated number of new customers to be added.

**STEP 9: ANTICIPATED CHANGES**

Provide any information pertaining to any significant changes in the utility's operations or performance in the prior year, OR any issues that are anticipated to impact the utility's operations or performance in the next one to five years. These issues may be specific to the entity, or associated with broad market-related factors. Examples might include extensive operational downtime due to unusual repair/maintenance issues, or an expiring contract/rate agreement. Identify any impending major capital improvements anticipated within the next

five years and, if any, identify the forecasted cost and timing. Indicate whether this cost will be expensed or capitalized. Also indicate whether the capital improvement is a one-time cost or if it will be a recurring event. If the latter, identify the frequency of the recurrence (Example: "every 10 years"). If no changes have occurred or are anticipated, state "None."

**STEP 10: EXPENSES**

**GENERAL EXPENSE INSTRUCTIONS:**

Enter data for each expense item (utility expenses only; do NOT include non-utility expenses) when applicable for each of the prior three years. It is imperative that expenses associated with a particular line item are not duplicated on any other lines. For example, property taxes should be included in Line 27, but not in Lines 2, 3 or any other line. Provide detailed attachments as required under various headings (refer to Step 13, Page 9) for a detailed list.

All entries should be made as positive numbers for each section, unless an account has a peculiar negative offset. For example: for Line 27 a property tax expense of \$1,000 would be listed as \$1,000, not negative \$1,000. If that same expense had a \$1,200 abatement resulting in a gain to the utility of \$200 concerning property taxes, then you would enter a negative \$200, since there is a benefit to the expense category. Attach a note explaining negative entries.

However, do NOT apply the same process to the section for gains. Each account under the section for "Gains" has an opposing account for annotation of losses in the "Other Expenses" section. Do NOT make negative entries in the "Gains" section. Find the opposing category in "Other Expenses" and make a positive addition to that category. For example: a regulatory expense of \$1,000 would not be entered in "Gains" as a negative \$1,000 "Regulatory Credit." It would be entered under the Other Expenses category "Regulatory Debit" for a positive \$1,000.

**SPECIFIC LINE EXPENSE INSTRUCTIONS:**

**LINE 1 MAINTENANCE EXPENSES:** Enter total maintenance expenses of the utility plant for each of the three prior years. Provide a detailed schedule.

**LINE 2 OPERATION EXPENSES:** Enter total utility plant operation expenses for each of the three prior years. Do NOT include rent, which should be shown on either Line 6 or Line 30 depending on what is being rented. Provide a detailed schedule.

**LINE 3 GENERAL/ADMINISTRATIVE (G&A) EXPENSES:** Enter total G&A expenses for each of the three prior years. This category can be included with Line 2 if you choose, but a detailed schedule must be provided to allow transparency of the items included. Do NOT include it in both lines.

**LINE 4 FUEL EXPENSE:** Enter the total amount paid for fuel to operate the utility plant for each of the prior three years. This expense applies only to fuel used for power generation/production, such as gas, oil or biomass materials to generate electricity or steam. Do NOT include minor fuel expenses for vehicles or heating buildings; those expenses should be included in Lines 2 or 3. If the plant uses more than one type of fuel, include a schedule providing a breakdown by fuel type for all three years.

**LINE 5 TAXES OTHER THAN INCOME TAXES:** This should include taxes related to employment including payroll taxes, unemployment taxes, etc., or miscellaneous taxes such as sales taxes, for the prior three years. This category can be included with Lines 1 or 2 if you choose, but a detailed schedule must be provided to allow transparency of the items included. Do NOT include it in both lines. Do NOT include property taxes, the NH utility property tax or any income taxes.



GENERAL INSTRUCTIONS (continued)

**LINE 6 RENT - OTHER:** This should include rent of personality, such as office furniture, office equipment, telecommunication equipment, vehicles, etc. Attach a detailed schedule. Do NOT include utility plant rent which is entered on Line 30 of Step 10 and further described in Step 12.

**LINE 7 SUBTOTAL OF OPERATING EXPENSES:** Add Lines 1 through 6 to arrive at the subtotal of operating expenses for each of the three prior years. Make sure that individual expense items are included in only one line of Lines 1-6.

**LINE 8 REGULATORY DEBITS:** This applies only to utilities that are regulated by a government agency such as the NHPUC or FERC. If your company is not regulated, do not enter any amounts in this line. Regulatory Debits are non-periodic expenses that would impact future ratepayers (customers) and must be recovered over time from future ratepayers. These expenses must be approved by the regulating agency and are treated as a regulatory asset in the balance sheet.

One purpose for amortizing this cost is to smooth earnings and reduce rate-shock to current ratepayers. The expense generally occurs in one year but is amortized over a period of years as a regulatory debit rather than treated as an operating expense in the current period.

Some examples of regulatory debits that might occur are extraordinary maintenance, loss on asset retirement, future recoverable costs, deferred power costs, pollution remediation, decommissioning expenses, storm costs, other post-employment benefits and debt issuance costs. Provide a brief description of the expense, the year of original occurrence and the amortization period, e.g. "Major storm costs, \$X,XXX,XXX, 2019, 5-year amortization."

**LINE 9 INVESTMENT TAX CREDIT ADJUSTMENT:** This line should include amounts of investment tax credits related to service company property.

**LINE 10 LOSSES FROM DISPOSITION OF UTILITY PLANT OR DISPOSITION OF ALLOWANCES:** Include losses from the settlement of asset retirement obligations related to service company plant.

**LINE 11 OTHER EXPENSES:** Other Expenses are specialized expenses that apply to some utility companies. They are often only experienced on an intermittent basis. Enter the amounts in the years in which they occurred. Provide a detailed schedule.

**LINE 12 SUBTOTAL OTHER EXPENSES:** Add Lines 8 through 11 to arrive at the subtotal of "Other" expenses for each of the three prior years.

**LINE 13 SUBTOTAL OF OPERATING AND OTHER EXPENSES:** Add Lines 7 and 12 to arrive at a subtotal for each of the three prior years.

**LINE 14 GAINS FROM DISPOSITION OF UTILITY PLANT OR DISPOSITION OF ALLOWANCES:** Include gains from the settlement of asset retirement obligations related to service company plant.

**LINE 15 REGULATORY CREDITS:** This applies only to utilities that are regulated by a government agency such as the NHPUC or FERC. If your company is not regulated, do not enter any amounts in this line. Regulatory credits are an accounting mechanism for refunds that are due to ratepayers (customers) for revenue collected through rates in prior periods. The revenue has been disallowed by the regulating agency and is treated as a regulatory liability in the balance sheet. The refund is returned back to the customers over a period of future months or years rather than in the current period in order to smooth earnings. Provide a brief description of the regulatory credit and the year(s) of original occurrence, e.g. "Cost of gas adjustment, 2020 order, \$X,XXX,XXX, 12-month amortization 2021."

**LINE 16:** Add Lines 14 and 15 to arrive at total gains for each of the three prior years.

**LINE 17 TOTAL OPERATING & OTHER EXPENSES LESS GAINS:** The required calculation is Line 13 (Subtotal of Operating & Other Expenses) minus Line 16 (Gains) for each of the three prior years.

**LINE 18 BOOK DEPRECIATION EXPENSE:** Enter the total amount of depreciation expense attributable to the owner's costs (NOT including CIAC) for all classes of depreciable plant in service (include any depreciation of asset retirement obligations) for each of the three prior years. Attach a detailed schedule.

**LINE 19 BOOK AMORTIZATION OF CIAC:** Enter the total amount of amortization of CIAC for the prior three years.

**LINE 20 BOOK AMORTIZATION EXPENSE OTHER:** Enter the total amount of amortization expense attributable to the owner's costs for each of the prior three years including depletion of utility plant, limited-term plant accounts, plant acquisition adjustments, property losses, unrecoverable plant & regulatory study costs, conversion costs, and other amortization costs not subject to charges for depreciation expense. Attach a detailed schedule.

**LINE 21 BOOK TOTAL DEPRECIATION & AMORTIZATION:** Add Lines 18 through 20 to arrive at the total depreciation and amortization expense for each of the three prior years.

**LINE 22 ACTUAL IRS DEPRECIATION EXPENSE:** Enter actual IRS tax depreciation claimed in each of the prior three years. Attach a detailed IRS depreciation schedule that includes the cost basis of each asset, annual depreciation, year to date depreciation, asset class life and recovery period.

**LINE 23 INCOME TAXES - FEDERAL:** Enter the federal income tax paid for each of the three prior years as reported on federal income tax returns. Do NOT provide imputed or estimated taxes, only those actually paid and attributable to the period associated with this return. You may attach additional schedules which explain your policy and calculations for allocated or imputed amounts, but do NOT include those amounts in these lines.

**LINE 24 PROVISION FOR DEFERRED INCOME TAXES:** Enter the amount provided for deferred income taxes, if applicable, for each of the prior three years. Net out the deferred income tax credit.

**LINE 25 INCOME TAXES - STATE OR LOCAL:** Enter the state and/or local income taxes paid for each of the prior three years as reported on federal and state income tax returns. Do NOT provide imputed or estimated taxes, only those actually paid and attributable to the period associated with this return. You may attach additional schedules which explain your policy and calculations for allocated or imputed amounts, but do NOT include those amounts in these lines. Include on this line the NH Business Enterprise Tax (BET) and NH Business Profits Tax (BPT) but do NOT include the NH Utility Property Tax, which should be included in Line 27 with Property Taxes.

**LINE 26 TOTAL INCOME TAXES:** Add Lines 23 through 25 to arrive at the total income taxes paid in each of the prior three years.

**LINE 27 PROPERTY TAXES:** Enter the total amount of local and/or state property taxes paid in each of the prior three years. Include the NH utility property tax and payments made under a PILOT agreement.



**GENERAL INSTRUCTIONS (continued)**

**LINE 28 INTEREST EXPENSE ON LONG-TERM DEBT:** Enter the total amount of interest paid on long-term debt with terms of greater than one year. It should include all interest associated with long-term debt provided by institutional lenders, shareholders, related entities, bonds, and others. Do **NOT** include interest paid on short-term debt with maturities of one year or less; those amounts should be included in Line 2 for Operating Expenses or Line 3 for G&A Expenses.

**LINE 29 LONG-TERM DEBT EXPENSES OTHER THAN INTEREST:** This includes any expenses associated with obtaining long-term debt other than actual interest paid on the debt. It could include amortization of loan origination fees, insurance fees, account maintenance fees, legal costs, etc.

**LINE 30 RENT FOR UTILITY PLANT:** This includes rent of utility plant assets that are not owned by the utility, such as land (ground leases), buildings, plant equipment (affixed, not portable equipment), poles, easements, rights-of-way, office space, etc. Enter the total amount paid for rent of these assets for each of the three prior years. Do **NOT** include this amount on any other line of Step 10. Complete Step 12 for these types of assets.

**LINE 31 TOTAL MISCELLANEOUS EXPENSES:** Add Lines 27 through 30 for each of the three prior years.

**SUPPLEMENTAL NOTES ON REVENUE AND EXPENSES:** Check either "Yes" or "No" if any of the revenue amounts in Step 7 or expense amounts in Step 10 in any year represent less than 12-months of operating. If yes, explain in the provided box or in an attached addendum.

**STEP 11: BREAKDOWN OF ASSETS IN NEW HAMPSHIRE BY MUNICIPALITY**

**SECTION 11-A - BREAKDOWN OF ASSETS BY MUNICIPALITY**

This section should include all of the tangible assets in New Hampshire, including CWIP and CIAC, subtotaled by municipality. If a tangible asset cannot be allocated to one municipality, then include it in Step 11 Section B. Do not include intangibles or non-taxable property in Section A; those should be entered in Section B.

**LINES 1 THROUGH 15:** Provide a detailed itemization of assets in New Hampshire by municipality including:

- Name of facility or if unnamed, description of asset
- Municipality where asset(s) is/are located
- Rated gross nameplate capacity at each location including unit of measurement (e.g. MW, Kw, Gal, CCF, etc)
- Original cost basis in NH (see instructions for Step 5-C Lines 1-4 for what items constitute original cost basis)
- Net book value in NH (NH original cost basis less total NH accumulated depreciation and amortization)

**LINE 16 SUBTOTAL - STEP "A" ASSETS:** Add Lines 1-15 and enter totals for Original Cost Basis and Net Book Value in Line 16.

**SECTION 11-B - ASSETS NOT LOCATED IN A SPECIFIC MUNICIPALITY**

**LINE 17:** Enter the original cost basis and net book value of all intangible assets in New Hampshire. Attach a detailed schedule.

**LINE 18:** Enter the original cost basis and net book value of any non-taxable property as well as any other tangible assets that cannot be attributed to a specific municipality and have not been included in

Section A above. This should include only property located in New Hampshire. Attach a detailed schedule.

**LINE 19:** Add Line 17 and Line 18.

**SECTION 11-C - TOTAL NH ASSETS**

**LINE 20:** Add Lines 16 and 19 to arrive at the total original cost basis and net book value of all NH assets. The total original cost basis in Line 20 must match Step 5C Line 4 in the New Hampshire column. The total net book value must match Step 5C Line 8 in the New Hampshire column.

**STEP 12: INFORMATION ON LEASED PLANT ASSETS**

The lease information the Department requires pertains to taxable "Utility Property"; i.e., any leased property used in the service of the utility company. It includes leased land, land rights, buildings (or parts thereof) and plant equipment. This is not limited to generating assets but also includes office space/buildings, service centers, warehouses, storage yards, rights-of-way and easements that are leased. Do **NOT** include leased personalty, such as vehicles or office machines. Do **NOT** include capitalized leases. Capitalized Leases should already be included within the previously reported accounting data as part of the original cost basis and net book value in Step 5C. If you have capitalized leases but they are **NOT** included in the previous pages, you must follow standard accounting practices and record the capitalized leased property in the appropriate cost basis and expense data sections. If more than one asset is leased, attach additional pages; include only one lease per page.

**SECTION 12-A - LANDLORD CONTACT INFORMATION**

Enter the requested information for each category. The information should pertain to the property owner or business/individual you are leasing the property from (the landlord). Provide the name of the landlord's company (if applicable), the landlord's mailing address, the landlord's contact name, the contact person's phone number and email address.

**SECTION 12-B - ASSET DESCRIPTION**

This pertains to the property being leased. Provide the physical street address of the asset (if there is one) and the Map/Lot number assigned by the municipality to that asset. If there are multiple lots encompassed by the lease, provide all addresses and all Map/Lot numbers. Provide a written description summarizing the asset being leased including whether it is land, land rights, buildings, equipment or a combination thereof, and an indication of size, age, etc. (e.g. number of acres, number and use of buildings, year built). Briefly explain if the lease payments are fixed contractual amounts or indexed to economic factors, such as the Consumer Price Index.

**SECTION 12-C - LEASE TERMS**

Identify the lease start date and end date. Check the box indicating the lease type. Triple-Net (NNN) leases mean that the tenant pays all expenses of the property including taxes, insurance, utilities and maintenance. Gross leases mean that the landlord pays all of those expenses. Modified Gross leases mean that the expenses are split between the landlord and tenant. If it is a Modified Gross Lease, describe which expenses are to be paid by which party. Enter the annual lease payments relative to contractual obligations in the appropriate years.

**STEP 13: CHECKLIST & DOCUMENT ATTACHMENTS**

Required document attachments are necessary to conduct a reliable appraisal. A common error in reporting expenses is the inclusion of an



**GENERAL INSTRUCTIONS (continued)**

expense item in more than one category, for example: property taxes imbedded in operating expenses and also shown on the property tax line of the form. Errors such as this may significantly impact appraisal results. Take care to avoid such errors.

**Therefore, you must submit documentation with sufficient detail clarifying expenses for accounts such as: "Maintenance Expenses," "Operating Expenses," "G&A Expenses," "Taxes Other Than Income Taxes," and "Other Miscellaneous Expenses." Supporting documents must provide adequate granularity so that we can ensure that expense accounts in Step 10 are not duplicated under multiple categories. Unusual expense items must include explanations or itemization with additional detail.**

It is not necessary to submit all of the listed attachments, if they contain identical material. For example: if a tax return contains a balance sheet pertaining solely to the utility, then an additional balance sheet is not required for submission. However, if a tax return pertains to both utility and non-utility income and expenses, then an income statement and balance sheet must be submitted with utility-only details.

Tax returns to be submitted will vary depending on the form of ownership:

- Sole proprietors are required to submit Federal Form 1040, its related Statements and Schedule C.
- Partnerships are required to submit Federal Form 1065 and its related Statements. Do **NOT** submit the Federal Partnership K-1 Schedules or B-1 Schedules.
- Corporations are required to submit Federal Form 1120 or Form 1120-S and its related Statements.
- All forms of ownership are required to submit Federal Schedule 4562 (Depreciation and Amortization) and its supporting itemized breakdown schedule. If any production tax credits or investment tax credits are received, the related IRS tax schedules must be submitted.
- Other tax return forms or schedules may be requested by the Department on an as needed basis; the taxpayer is required to submit them upon request.

**STEP 14: CERTIFICATION and AUTHORIZED SIGNATURE**

**SIGNATURE AND TITLE:** An authorized individual is required to sign the completed PA-20 form in ink. Indicate the date signed and the title of the person signing. If you are not an authorized employee of the company, you must also submit a properly completed and signed power of attorney, indicating your authority to sign this document. An acceptable power of attorney (Form DP-2848) is available at [www.revenue.nh.gov](http://www.revenue.nh.gov). If filing electronically through Granite Tax Connect (see Administrative Rule Rev. 2904.5), the electronic signature shall have the same legal effect as a signature in blue or black ink on a paper form.