

STATE OF NEW YORK  
PUBLIC SERVICE COMMISSION

At a session of the Public Service  
Commission held in the City of  
Albany on September 6, 2018

COMMISSIONER PRESENT:

John B. Rhodes, Chair

CASE 17-M-0815 - Proceeding on Motion of the Commission on  
Changes in Law that May Affect Rates.

ORDER GRANTING EXTENSION

(Issued and Effective September 6, 2018)

INTRODUCTION AND BACKGROUND

On August 9, 2018, the Commission issued an Order<sup>1</sup> detailing the steps utilities would take to ensure the savings from the Tax Cuts and Jobs Act of 2017 (Tax Act) were returned to the ratepayers. In part, the Commission found that small telephone companies suffer from general declines in subscribers and revenues that more than offset the Tax Act benefits. While the Commission did not order an immediate refund of tax savings to ratepayers, telephone companies, except Verizon New York Inc., and Frontier Telephone of Rochester, Inc., were ordered to "preserve on their books any excess accumulated deferred federal income taxes from the Tax Cuts and Jobs Act of 2017 for future disposition by the Commission."

On September 4, 2018, the New York State Telecommunications Association (NYSTA), which represents the

---

<sup>1</sup> Case 17-M-0815, Tax Cuts and Jobs Act of 2017, Order Determining Rate Treatment of Tax Changes (issued August 9, 2018) (August Order).

small telephone utilities, filed a request<sup>2</sup> for a 13-day extension of the 30-day deadline to petition for rehearing of the August Order. NYSTA claims that the deferral requirement “could have significant consequences for smaller telephone companies experiencing heightened competition and declining revenues and customer bases,” but “vacation schedules of both industry and staff personnel, the need to consult with member companies and their financial professionals, and the intervening Labor Day holiday” made a timely filing impracticable.<sup>3</sup> NYSTA requests an extension until September 21, 2018, to file its petition for rehearing.

#### LEGAL AUTHORITY

Pursuant to PSL §22, “[a]fter an order has been made by the [C]ommission any corporation or person interested therein shall have the right to apply for a rehearing in respect to any matter determined therein, but any such application must be made within thirty days after the service of such order, unless the [C]ommission for good cause shown shall otherwise direct...”

#### DISCUSSION AND CONCLUSION

The August Order was a comprehensive decision that addressed the impact of the Tax Act on all New York utilities. With such a ruling, many factors for many different situations had to be evaluated. Given the acknowledged difficulties facing small telephone utilities, the potential harm to those utilities, and the reasons for seeking the extension, NYSTA’s request for 13 additional days to file a petition for rehearing is reasonable, and hereby granted.

---

<sup>2</sup> Case 17-M-0815, supra, Rate Treatment of Tax Changes-Request for extension of time (filed September 4, 2018).

<sup>3</sup> Ibid., pp 1-2.

It is ordered:

1. The 30-day deadline for the filing of rehearing petitions pursuant to Public Service Law §22 in connection with the Commission's August 9, 2018 Order Determining Rate Treatment of Tax Changes is extended to September 21, 2018.
2. This proceeding is continued.

(SIGNED)

\_\_\_\_\_  
Commissioner