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STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
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Trenton, New Jersey 08625-0350
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Kristi Izzo
Secretary of the Board
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NOTICE¹

**IN THE MATTER OF THE BOARD'S REVIEW OF THE
APPLICABILITY AND CALCULATION OF A CONSOLIDATED TAX ADJUSTMENT
Generic Proceeding
Docket No. EO12121072**

Notice of Opportunity to Provide Additional Information

On January 23, 2013, the Board of Public Utilities ("Board") directed Board Staff to convene all interest parties to participate in a generic proceeding to review issues related to consolidated tax saving adjustment ("CTA") in order to determine: 1) the use by the Board of the consolidated tax saving adjustment policy; 2) how to calculate the amount of savings that arise from filing a consolidated return; 3) how these savings should be equitably shared between the regulated company and the ratepayers; and 4) if a rulemaking proceeding should be undertaken to establish utility-wide or statewide standards with respect to the implementation of a consolidated tax adjustment policy.

Board Staff took the initial step in this process by requesting information via a Notice of Opportunity to Comment dated March 6, 2013. The response from the Division of Rate Counsel raised questions which Board Staff believes may provide information pertinent to the shaping of the Board's CTA policy. Therefore, Staff is requesting responses to the following questions by September 4, 2013:

Please provide the following information:

- a. A copy of any tax sharing agreement relating to the filing of a consolidated income tax return;
- b. The year in which the utility was first included in a consolidated tax return;
- c. The total amount paid by the utility to its parent company for federal income taxes in each year since 1991;
- d. The total amount paid by all members of the consolidated income tax group to the parent company relating to federal income taxes, in each year since 1991;

¹ Not a paid legal advertisement.

- e. The amount paid to each loss company by the parent, in each year since 1991;
- f. The total amount paid by the consolidated entity to the IRS for federal income taxes in each year since 1991;
- g. The amount of bonus depreciation taken by each member of the consolidated income tax group in each year since 1991;
- h. The amount of Alternative Minimum Taxes paid by the consolidated income tax group in each year since 1991;
- i. The amount of any tax loss carryforward available to the consolidated group and the period(s) over which these tax loss carryforwards are available to be used by the consolidated group;
- j. A brief description of each company included in the consolidated income tax group since 1991, along with an indication of whether each company is regulated or non-regulated;
- k. The reason why a company that was previously included in the consolidated income tax group is no longer included in the group;
- l. All workpapers and calculations relating to the calculation of the CTA as requested in the Notice;
- m. The federal income taxes (both current and deferred) reported by the consolidated income tax group on the parent company's Annual Report, by year since 1991;
- n. The federal income taxes (both current and deferred) by the utility, by year since 1991;

If your company has already provided some, or all, of the abovementioned information, please direct the Board's attention to its location within your previously submitted comments.

Please address responses to Kristi Izzo, Board Secretary and submit in electronic and hard copy format as follows:

- The electronic copy shall be submitted in Microsoft WORD format, or in a format that can be easily converted to WORD, by e-mailing it to the following e-mail address: rule.comments@bpu.state.nj.us. Please put the following in the subject field of the e-mail: "CTA Generic Proceeding Additional Comments" followed by your company or association name.
- The Paper copy shall be delivered to:

New Jersey Board of Public Utilities
Kristi Izzo, Secretary
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, N.J. 08625-0350

Please be advised that any information claimed to be confidential should be filed in accordance with the Board's confidentiality rules at N.J.A.C. 14:1-12 et seq.

Once Board Staff has reviewed all responses, additional questions may be presented to individual respondents or to all interested parties. Following this review, Board Staff will announce a schedule for hearing to provide all interested parties with the opportunity to provide testimony on the CTA issues.

This notice will be posted on the CTA Generic Proceeding page on the BPU website at <http://www.state.nj.us/bpu/about/divisions/energy/consolidatedtaxadjustment.html>. The responses requested above, all other documents submitted to the Board in the proceeding, and all subsequent notices will be posted on this page after they are submitted.



Kristi Izzo
Secretary of the Board

Dated: July 25, 2013

**In the Matter of the Board's Review of the Applicability and Calculation
of a Consolidated Tax Adjustment
Docket No. EO12121072**

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