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STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES
TRENTON, NEW JERSEY

BOARD AGENDA

DATE: TUESDAY, DECEMBER 19, 2017

ITEM 9D

MISCELLANEOUS

DOCKET NO.: AX17111144

IN THE MATTER OF CONSOLIDATED
TAX ADJUSTMENT RULEMAKING.

BEFORE: PRESIDENT RICHARD S. MROZ (RECUSED)
COMMISSIONER JOSEPH L. FIORDALISO
COMMISSIONER MARY-ANNA HOLDEN
COMMISSIONER DIANNE SOLOMON

J.H. BUEHRER & ASSOCIATES
884 BREEZY OAKS DRIVE
TOMS RIVER, NJ 08753
(732) 295-1975

1 PRESIDENT MROZ: Next item, 9D, is another
2 matter regarding the rule and the rulemaking. It is an
3 initial rule. However, I have, as I have previously
4 done, recuse myself from the deliberation of the
5 substance of this matter and I will not participate in
6 the vote.

7 I will turn this over to Commissioner Solomon
8 to chair this portion of the meeting.

9 COMMISSIONER SOLOMON: Yes.

10 MR. BOYD: Thank you.

11 This is Agenda Item 9D. It concerns a
12 consolidated tax adjustment rulemaking. This also is a
13 present issue and it's also a longstanding issue.

14 In -- in January -- on January 23rd, 2013,
15 the Board directed staff to look into the consolidated
16 tax adjustment and come back to the Board with
17 recommendations on how to improve it or findings either
18 which way.

19 The staff came back several months later with
20 recommendations that the Board agreed with in
21 principle, but the Board directed staff to publish
22 these proposed changes in the New Jersey Register and
23 received comments, which did happen, and comments were
24 received. And the result was a Board order which was
25 originally issued in October of 2014, which would have

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1 amended the CTA analysis by 3 points here.

2 So ultimately that was -- that Board order
3 was appealed on procedural grounds. And the Court had
4 found ultimately that the rule -- that a rulemaking

5 process would be necessary because the order violated a
6 Metromedia standard, which, in broad strokes -- I mean
7 of course that -- for a long time, but in broad strokes
8 Metromedia standard was violated in a sense that this
9 was an order that would have applied to all future
10 cases and all people. And as such, the Court directed
11 the order to be set aside until a rulemaking process
12 would be initiated which the Board again directed us to
13 do. And this is the result of that.

14 So the rule strikes -- strikes the same cord
15 with the order which the Board had instituted in 2014.

16 This is a rule proposal. So the approval
17 will allow this to be published in the New Jersey
18 Register for a public comment period of sixty days.
19 And then it will be reevaluated at that point.

20 The Board recommends that this is -- that the
21 Board approve this to be published in the New Jersey
22 Register for rule proposal.

23 COMMISSIONER FIORDALISO: That staff
24 recommends.

25 MR. BOYD: Staff recommends.

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1 COMMISSIONER FIORDALISO: I'll move it.

2 COMMISSIONER HOLDEN: Second.

3 COMMISSIONER SOLOMON: Any comments or
4 questions?

5 Yes.

6 COMMISSIONER HOLDEN: As always with these
7 rules, there is contention. But a lot of work went

8 into this one and good catches and I think it's nice
9 and tight the way it's done.

10 I think it's a long time coming and I think
11 we should have done this originally obviously. But at
12 least we have something as a method that people can
13 understand a rate base method.

14 COMMISSIONER FIORDALISO: Commissioner
15 Holden, is that comma in the right place?

16 COMMISSIONER HOLDEN: Believe me, I'm the red
17 pen.

18 Thank you.

19 Thank you, James, for running interference.

20 COMMISSIONER SOLOMON: Take a vote.

21 SECRETARY ASBURY: Commissioner Fiordaliso?

22 COMMISSIONER FIORDALISO: Yes.

23 SECRETARY ASBURY: Commissioner Holden?

24 COMMISSIONER HOLDEN: Yes.

25 SECRETARY ASBURY: Commissioner Solomon?

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1 COMMISSIONER SOLOMON: Yes.

2 SECRETARY ASBURY: So moved.

3 PRESIDENT MROZ: Mr. Boyd, thank you for all
4 your work and thank everyone who participated in this
5 process on all of these matters.

6 But, again, as I mentioned before, I think
7 all these still provide us the opportunity to say and
8 be quite proud of the fact that we continue to take our
9 position seriously about providing regulatory certainty
10 all while protecting the ratepayers.

11 Once again, thank you all. That is the end
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12 of our agenda.

13 I want to wish everyone a great Holiday
14 Season and a Happy and Prosperous New Year.

15 Any other comments from my colleges?

16 Then we are adjourned.

17 Thank you very much.

18 (Whereupon recommendation of staff was approved.)

19 (Item 9D - Miscellaneous Concluded.)

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CERTIFICATE

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3 I, Lorin Thompson, a Notary Public and
4 Shorthand Reporter of the State of New Jersey, do
5 hereby certify as follows:

6 I do further certify that the foregoing is a
7 true and accurate transcript of the testimony as taken
8 stenographically by and before me at the time, place
9 and on the date hereinbefore set forth.

10 I do further certify that I am neither a
11 relative nor employee nor attorney nor counsel of any
12 of the parties to this action, and that I am neither a
13 relative nor employee of such attorney or counsel, and
14 that I am not financially interested in the action.

9D Misc - December 19 2017

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Notary Public of the State of New Jersey
My commission expires July 26, 2021

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21 Dated: December 19, 2017

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