



Agenda Date: 6/22/18
Agenda Item: 5C

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

WATER

IN THE MATTER OF THE NEW JERSEY BOARD OF PUBLIC UTILITIES' CONSIDERATION OF THE TAX CUTS AND JOBS ACT OF 2017)	ORDER OF EXTENSION
)	
)	DOCKET NO. AX18010001
)	
IN THE MATTER OF THE NEW JERSEY BOARD OF PUBLIC UTILITIES' CONSIDERATION OF THE TAX CUTS AND JOBS ACT OF 2017 FILING ON BEHALF OF SUEZ WATER ARLINGTON HILLS)	
)	
)	DOCKET NO. WR18030240

Parties of Record:

Stephen B. Genzer, Esq., Saul Ewing Arnstein & Lehr LLP, on behalf of SUEZ Water Arlington Hills

Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:¹

The Tax Cuts and Jobs Act of 2017 ("2017 Act") sets forth changes to the Federal Internal Revenue Tax Code, including a reduction in the maximum corporate tax rate from thirty-five percent (35%) to twenty-one percent (21%).

On January 31, 2018, the New Jersey Board of Public Utilities ("Board") issued an Order ("Tax Order") which established a proceeding ("Tax Proceeding") for all affected utilities to consider the implications of the 2017 Act, and in particular to implement interim rates effective April 1, 2018, until a final Board review is complete. The Tax Order also established a procedural schedule for motions to intervene, discovery, technical conferences, filing of comments, and finally settlement conferences on May 31, 2018.

By letter dated May 21, 2018, SUEZ Water Arlington Hills ("SUEZ" or "Petitioner") advised the Board that it had engaged an accounting firm to conduct a comprehensive review of its deferred income tax records to ensure that those records are complete and accurate by category. The Petitioner also advised the Board that it was in the process of determining the appropriate level of amortization of the regulatory liability to insure compliance with Internal Revenue Service normalization regulations. The Petitioner further advised the Board that it anticipated that this review would be completed in June 2018 and that SUEZ would then engage in settlement

¹ Commissioner Robert M. Gordon recused himself due to a potential conflict of interest and as such took no part in the discussion or deliberation of this matter.

negotiations with the Division of Rate Counsel and Board Staff² with the goal of reaching a mutually acceptable resolution of the Tax Proceeding. The Petitioner stated that a mutually agreeable comment period would be established should the Parties ultimately fail to reach a settlement.

In view of the foregoing, the Petitioner respectfully requested that the Board extend the procedural schedule to permit the Board to render a decision no later than the Board's September public agenda meeting. Petitioner represents that the request for an extension is acceptable to Rate Counsel and is in the public interest.

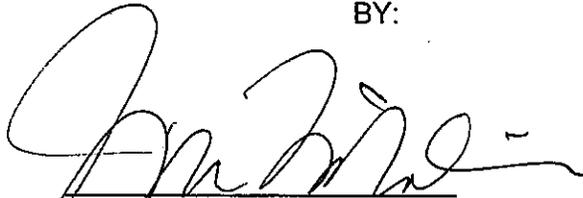
DISCUSSION

The Board has reviewed the extension request filed by Petitioner, and **HEREBY DIRECTS** that the procedural schedule for Petitioner shall be extended to provide Petitioner with additional time to complete its review of its deferred income tax records and allow the Parties to engage in further settlement discussions. The Board **FURTHER DIRECTS** that the Parties submit all necessary information to the Board so as to allow the Board to consider final rates no later than the Board's September 2018 public agenda meeting, or as soon thereafter as the Board may deem appropriate.

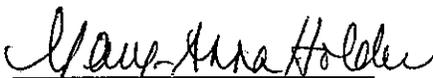
This Order shall be effective on July 2, 2018.

DATED: 6/22/18

BOARD OF PUBLIC UTILITIES
BY:



JOSEPH L. FIORDALISO
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER

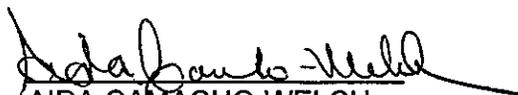


DIANNE SOLOMON
COMMISSIONER



UPENDRA J. CHIVUKULA
COMMISSIONER

ATTEST:



AIDA CAMACHO-WELCH
SECRETARY

I HEREBY CERTIFY that the within
document is a true copy of the original
in the files of the Board of Public Utilities.

² SUEZ, Board Staff and the Division of Rate Counsel are collectively, "the Parties."

**Docket No. AX18010001 – In the Matter of the New Jersey Board of Public Utilities’
Consideration of the Tax Cuts and Jobs Act of 2017; and**

**Docket No. WR18030240 – In the Matter of the New Jersey Board of Public Utilities’
Consideration of the Tax Cuts and Jobs Act of 2017 Filing on Behalf of Suez Water
Arlington Hills**

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