



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

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
IN THE MATTER OF THE ATLANTIC CITY SEWERAGE COMPANY'S PETITION WITH CALCULATION OF RATES UNDER THE TAX CUTS AND JOBS ACT OF 2017))))	DOCKET NO. AX18010001 DOCKET NO. WR18030234

Parties of Record:

Ira G. Megdal, Esq., Cozen O'Connor , PC, on behalf of Atlantic City Sewerage Company
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

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 31, 2018, Atlantic City Sewerage Company ("ACSC" or "Petitioner") advised the Board that it was in the process of conducting a comprehensive review of its deferred income tax records. ACSC further advised the Board that is was in the process of determining the appropriate level of amortization of the regulatory liability to insure compliance with IRS normalization. The Petitioner noted that it currently estimates that this review process will be completed by September 2018. The Petitioner stated that it would engage in settlement discussions with the Parties¹ once this review process has been completed. 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 its November 2018 public agenda meeting.

¹ The Parties to this matter are Petitioner, the New Jersey Division of Rate Counsel, and Board Staff.

ACSC further stated that this request was in the public interest as it will allow Petitioner to ensure that its deferred income tax records are complete and accurate by category, determine the appropriate level of amortization of the regulatory liability, and insure compliance with IRS normalization regulations. The Petitioner also stated that extending the procedural schedule would provide the Parties with additional time to focus on a mutually agreeable resolution of this matter.

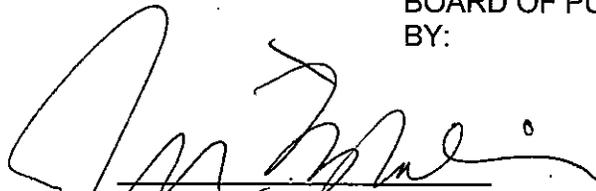
DISCUSSION:

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 November 2018 public agenda meeting, or as soon thereafter as the Board may deem appropriate.

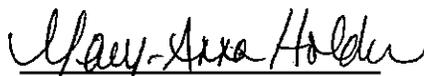
This Order shall be effective on July 2, 2018.

DATED: 6/22/18

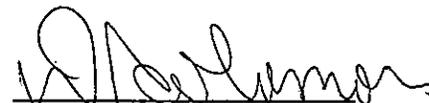
BOARD OF PUBLIC UTILITIES
BY:



JOSEPH L. FIORDALISO
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER



DIANNE SOLOMON
COMMISSIONER



UPENDRA J. CHIVUKULA
COMMISSIONER



ROBERT M. GORDON
COMMISSIONER

ATTEST: 

AIDA CAMACHO-WELCH
SECRETARY

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