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NJ BPU  
CASE MANAGEMENT

**ASSOCIATED  
CONSTRUCTION  
CONTRACTORS  
OF NEW JERSEY**

Board of Public Utilities  
Kristi Izzo, Secretary  
44 South Clinton Avenue, 9<sup>th</sup> Floor  
P.O. Box 350  
Trenton, New Jersey 08625-0350

Raritan Center Plaza II  
91 Fieldcrest Avenue  
Suite A19  
Edison, NJ 08837

August 18, 2014

Dear Secretary Izzo:

West State Street  
Trenton, NJ

Please accept this response from the Associated Construction Contractors of NJ (ACCNJ) regarding the "Notice of Opportunity to Provide Additional Information" dated June 18, 2014 for Docket No. EO12121072, "In the Matter of the Board's Review of the Applicability and Calculation of a Consolidated Tax Adjustment." An electronic copy of these comments has also been provided to [rule.comments@bpu.nj.state.us](mailto:rule.comments@bpu.nj.state.us).

732-225-2265  
732-225-3105 fax  
ACCNJ.org

**MARK HALL**  
*Chairman*

The Associated Construction Contractors of New Jersey is the recognized building, heavy, highway and utility chapter in New Jersey of the Associated General Contractors of America (AGC), the oldest and largest construction association in the nation. ACCNJ members are responsible for billions of dollars in public and private construction projects annually and employ tens of thousands of skilled craftworkers statewide.

**ALFONSO DALOISIO JR.**  
*Vice Chairman*

**BENEDICT TORCIVIA JR.**  
*Treasurer*

**J. FLETCHER CREAMER JR.**  
*Secretary*

**JACK KOCSIS JR.**  
*Chief Executive Officer*

**DARLENE REGINA**  
*Chief Operating Officer*

The New Jersey Board of Public Utilities Staff (Staff) has requested comments regarding its proposed modification of the Board's consolidated tax adjustment (CTA) policy. It has proposed that the Board continue application of the CTA with the following modifications: 1) The revised time period for the calculation of the savings would look back 5 years from the beginning of the test year; 2) The savings allocation method would allow 75% of the calculated savings to be retained by the company and 25% of the calculated savings to be allocated to the ratepayers; and 3) Transmission assets of the EDCs would not be included in the calculation of the CTA.

We simply wish to urge the elimination of the CTA and support proposals to significantly curtail its application. The CTA is a barrier to investment across all areas of critical utility infrastructure, from the electric grid, to gas, water and wastewater pipelines and distribution lines. ACCNJ believes that it should be the



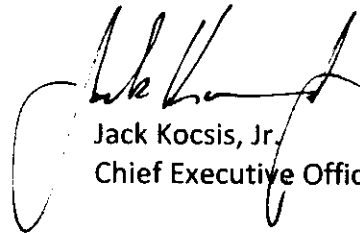
Building, Heavy,  
Highway, Utility Chapter  
Associated General  
Contractors of America  
Washington, DC

State's policy to move New Jersey's infrastructure into the future, and the CTA stands in the way of that goal.

New Jersey was, until recently, only one of four states to apply a comprehensive CTA on a systematic basis. With Texas recently repealing its application of a CTA, there are now only three states that assess a CTA. Clearly, the vast majority of other states and jurisdictions realize that the CTA is a flawed regulatory policy. New Jersey shouldn't remain an outlier, especially when it comes to a policy that stands in the way of infrastructure investment.

We hope you will consider our comments and concerns with respect to the consolidated tax adjustment in your deliberations in this matter.

Regards,

A handwritten signature in black ink, appearing to read "Jack Kocsis, Jr.", written over a printed name and title.

Jack Kocsis, Jr.  
Chief Executive Officer

cc: Darlene Regina, Chief Operating Officer  
Michael A. Travostino, Government Affairs Director