



UTILITY and TRANSPORTATION CONTRACTORS ASSOCIATION OF NEW JERSEY

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The National-Award-Winning Construction Association



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August 19, 2014

VIA HAND DELIVERY AND E-MAIL

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

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

Dear Secretary Izzo:

Please accept this response from the Utility and Transportation Contractors Association of New Jersey (UTCA) regarding the "Notice of Opportunity to Provide Additional Information" dated June 18, 2014 in the above referenced docket. An additional ten copies of this letter are enclosed. An electronic copy of these comments has also been provided to rule.comments@bpu.state.nj.us

UTCA of New Jersey is a national award winning, non-profit trade association headquartered in Wall, New Jersey. UTCA currently includes approximately 1,100 member firms active in all phases of heavy, highway, site, utility and environmental remediation construction, in the public and private sectors, throughout the State. On behalf of its member firms, UTCA strives to improve working conditions for the construction industry through its work in legislative and regulatory matters, safety training, labor relations, specifications development, group cost savings programs and individual problem solving.

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.

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REC'D
NJ BPU
CASE MANAGEMENT

CCMS
L. Kelly
M. Brewer
H. McNeil

Energy

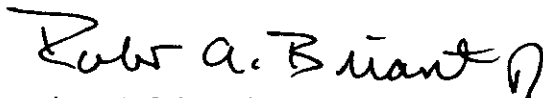
AFFILIATIONS —
American Road & Transportation Builders Association
United Brotherhood of Carpenters & Joiners of America

While UTCA is admittedly not familiar with the intricacies of the CTA calculation on a specific company level, we do know one thing for certain – the CTA is a barrier to investment. Investment in infrastructure creates jobs and is a key economic driver desperately needed in our State. Our members and the workers they employ comprise the men and women who implement infrastructure development. As such, this matter significantly affects those men and women, and their families.

We are aware of the fact that the CTA is not utilized in the vast majority of states and has also been rejected in a number of jurisdictions in which it has recently been considered. The current CTA approach in New Jersey has resulted in very large decreases in rate base which may result in unintended consequences and negative impacts on utility credit quality and cost of capital. That in turn leads to less infrastructure investment at a time when increased reliability and resiliency is critical.

It appears that the Board's proposal would significantly scale back the application of the CTA on New Jersey utilities, and we very much appreciate that proposed change. Ideally, we feel that New Jersey should join the overwhelming majority of other states and eliminate it completely, but we do support the Board at least adopting the scaled-back CTA called for in Staff's proposal.

Thank you for consideration of our position.

A handwritten signature in black ink that reads "Robert A. Briant, Jr." with a stylized flourish at the end.

Robert A. Briant, Jr.
CEO