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CASE MANAGEMENT

MAR 27 2018

BOARD OF PUBLIC UTILITIES  
TRENTON, NJ

PHIL MURPHY  
Governor

SHEILA OLIVER  
Lt. Governor



State of New Jersey  
DIVISION OF RATE COUNSEL  
140 EAST FRONT STREET, 4<sup>TH</sup> FL  
P. O. BOX 003  
TRENTON, NEW JERSEY 08625

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MAR 27 2018

BOARD OF PUBLIC UTILITIES  
TRENTON, NJ

STEFANIE A. BRAND  
Director

*Jan D.*  
*3/28/18*

March 23, 2018

**Via Email & First Class Mail**

Ira G. Megdal, Esquire  
Cozen O'Connor  
457 Haddonfield Road, P.O. Box 5459 Suite 300, Liberty View  
Cherry Hill, NJ 08002-2220

**Re: I/M/O the New Jersey Board of Public Utilities' Consideration of the Tax  
Cuts and Jobs Act of 2017 - BPU Docket No. AX18010001  
New Jersey American Water Company Tax Cuts and Jobs Act of 2017 ("TCJA")  
Filing for the Adjustments of Base Rates and Refunds  
BPU Docket No. WR18030233**

Dear Mr. Megdal:

Enclosed please find the Division of Rate Counsel's discovery requests **RCR-NJAWC-POL-1 through RCR-NJAWC-POL-4** as well as **RCR-NJAWC-RD-1 through RCR-NJAWC-RD-6** in connection with the above referenced matter.

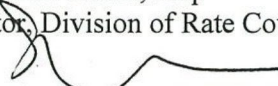
Pursuant to N.J.A.C. 1:1-10.4, please respond to the discovery requests and submit copies of the documents requested herein within fifteen (15) days or submit a schedule of reasonable compliance within fifteen (15) days from receipt of this letter.

Please note that all discovery requests are of a continuing nature and should be updated or corrected, if necessary, over the course of the proceeding as soon as the information becomes available. Also, provide a designation on each response identifying the witness sponsoring the answer. Please provide the responses on three-hole punched paper.

Thank you for your attention to this matter.

Very truly yours,

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

By:   
Susan E. McClure, Esq.  
Assistant Deputy Rate Counsel

SEM/kah  
cc: Service list ✓

\*Receives all correspondence except discovery.

*CMG*

i/M/O the New Jersey Board of Public Utilities' Consideration of The Tax Cuts and Jobs Act of 2017

BPU Docket No. AX18010001

Carol Artale, Esquire  
Board of Public Utilities  
44 South Clinton Ave.  
P.O. Box 350  
Trenton, NJ 08625

Maria L. Moran  
Board of Public Utilities  
44 South Clinton Ave.  
P.O. Box 350  
Trenton, NJ 08625

Aida Camacho-Welch, Secretary  
Board of Public Utilities  
44 South Clinton Ave.  
P.O. Box 350  
Trenton, NJ 08625

Matt Koczur  
Board of Public Utilities  
44 South Clinton Ave.  
P.O. Box 350  
Trenton, NJ 08625

Mike Kammer  
Board of Public Utilities  
44 South Clinton Ave.  
P.O. Box 350  
Trenton, NJ 08625

Kathleen C. Nelson  
Senior Legal Secretary  
Cozen O'Connor  
457 Haddonfield Road, P.O. Box 5459  
Suite 300, Liberty View  
Cherry Hill, NJ 08002-2220

NEW JERSEY AMERICAN WATER  
COMPANY TAX CUTS AND JOBS ACT  
OF 2017 ("TCJA") FILING  
FOR THE ADJUSTMENTS OF BASE  
RATES AND REFUNDS

BPU DOCKET NO. WR18030233

Stefanie A. Brand, Director  
Division of Rate Counsel  
140 East Front Street, 4th Floor  
P.O. Box 003  
Trenton, NJ 08625

\*Debra F. Robinson, Esq.  
Division of Rate Counsel  
140 East Front Street, 4th Floor  
P.O. Box 003  
Trenton, NJ 08625

Brian Lipman, Esquire  
Division of Rate Counsel  
140 East Front Street, 4th Floor  
P.O. Box 003  
Trenton, New Jersey 08625

Susan E. McClure, Esq.  
Division of Rate Counsel  
140 East Front Street, 4th Floor  
P.O. Box 003  
Trenton, New Jersey 08625

Kathryn A. Hart, Legal Assistant  
Division of Rate Counsel  
140 East Front Street, 4th Floor  
P.O. Box 003  
Trenton, NJ 08625

Ira G. Megdal, Esquire  
Cozen O'Connor  
457 Haddonfield Road, P.O. Box 5459  
Suite 300, Liberty View  
Cherry Hill, NJ 08002-2220

SERVICE LIST

\*Receives all correspondence  
except discovery

Alex Moreau, DAG  
Division of Law  
124 Halsey Street  
P.O. Box 45029  
Newark, NJ 07101

Jim Kane  
Board of Public Utilities  
44 South Clinton Ave.  
P.O. Box 350  
Trenton, NJ 08625

Veronica Beke, DAG  
Division of Law  
124 Halsey Street  
P.O. Box 45029  
Newark, NJ 07101

Brian Kalcic  
Excel Consulting  
225 S. Meramec Avenue  
Suite 720  
St. Louis, MO 63105

Robert J. Henkes  
Henkes Consulting  
7 Sunset Road  
Old Greenwich, CT 06870

Jessica Rozier  
GDS Associates, Inc.  
111 North Orange Avenue  
Suite 750  
Orlando, FL 32801

Caroline Vachier, DAG  
Division of Law & Public Safety  
124 Halsey Street – 5<sup>th</sup> Floor  
P.O. Box 45029  
Newark, NJ 07101

Paul Flanagan, Executive Director  
NJ Board of Public Utilities  
44 South Clinton Ave., 3<sup>rd</sup> Floor  
Suite 314  
P.O. Box 350  
Trenton, NJ 08625

Bethany Rocque-Romaine, Esquire  
NJ Board of Public Utilities  
44 South Clinton Ave., 3rd Floor  
Suite 314  
P.O. Box 350  
Trenton, NJ 08625

Geoffrey Gersten DAG  
Division of Law & Public Safety  
124 Halsey Street – 5th Floor  
P.O. Box 45029  
Newark, NJ 07101

Noreen Giblin, Chief Counsel  
NJ Board of Public Utilities  
44 South Clinton Ave., 3rd Floor  
Suite 314  
P.O. Box 350  
Trenton, NJ 08625

Alice Bator, Director  
NJ Board of Public Utilities  
44 South Clinton Ave., 3rd Floor  
Suite 314  
P.O. Box 350  
Trenton, NJ 08625

\*Terry Meyers  
[terry.meyers@gdsassociates.com](mailto:terry.meyers@gdsassociates.com)

\*Audrey Cobb  
[audrey.cobbs@gdsassociates.com](mailto:audrey.cobbs@gdsassociates.com)

\*Patrick Brian  
[patrickbrin@gdsassociates.com](mailto:patrickbrin@gdsassociates.com)

**I/M/O the New Jersey Board of Public Utilities' Consideration of  
the Tax Cuts and Jobs Act of 2017 - BPU Docket No. AX18010001**

**New Jersey American Water Company Tax Cuts and Jobs Act of 2017  
("TCJA") Filing for the Adjustments of Base Rates and Refunds**

**BPU DOCKET NO. WR18030233**

**Division of Rate Counsel Discovery Requests**

- RCR-NJAWC-POL-1. With regard to New Jersey American Water Company's ("NJAWC") Petition, page 5, NJAWC stated it had remeasured its Accumulated Deferred Income Taxes ("ADIT") balance as of December 31, 2018 [should have referenced 2017]. Please provide the following information:
- a. The name of the income tax program that NJAWC utilizes to calculate the ADIT balances. (i.e., PowerTax, etc.);
  - b. Copies of all supporting documentation, including reports from NJAWC's income tax program, auditor/tax consultant, etc., which supports the estimated remeasured ADIT balance for December 31, 2017, if not previously provided; and
  - c. Copies of all supporting documentation, including reports from NJAWC's income tax program, auditor/tax consultant, which reflect the separation of the ADIT for December 31, 2017 balances grouped by tax jurisdiction (Federal, State, and Other Jurisdictions).
- RCR-NJAWC-POL-2. With regard to NJAWC's estimated remeasured ADIT balance at December 31, 2017 discussed in this filing. Please provide a "detailed" explanation, by each ADIT reserve component/item, for NJAWC's basis to include each in the following categories:
- a. "Protected" property-related;
  - b. "Unprotected" property-related; and
  - c. "Unprotected" non-property related.
- RCR-NJAWC-POL-3. With regard to NJAWC's total ADIT balances reflected on its annual report to the Board of Public Utilities (BPU), please provide the following information:
- a. A "detailed" list of all ADIT components/items, by BPU account(s), for December 31, 2016 and 2017, including amounts, (estimated if actuals are not known yet for 2017); and
  - b. For each ADIT component/item listed in sub-part (a) please provide the category to which NJAWC assigned (Protected, Unprotected, and Other), including a "detailed" explanation for NJAWC's basis for each categorization.

**I/M/O the New Jersey Board of Public Utilities' Consideration of  
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("TCJA") Filing for the Adjustments of Base Rates and Refunds**

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**Division of Rate Counsel Discovery Requests**

RCR-NJAWC-POL-4. Please provide copies of NJAWC's 2016 and 2017 BPU Annual Reports.

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Filing for the Adjustments of Base Rates and Refunds  
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**Division of Rate Counsel Discovery Requests**

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- RCR-NJAWC-RD-1 Please provide electronic copies of the proof of revenue used to implement final rates in the Company's last base rate proceedings at BPU Docket Nos. WR15010035 and WR14080905, with all formulae intact.
- RCR-NJAWC-RD-2 Reference Exhibit C of the Company's Petition. Please provide the source of the Shorelands and NJAWC billing determinants used in the referenced exhibit.
- RCR-NJAWC-RD-3 Please explain in detail how the Company's proposed rate design shown in Exhibit C is "consistent with the inter- and intra-class rate design approved when current rates were established and approved by the Board."
- RCR-NJAWC-RD-4 Reference Exhibit C, page 7 of 10 of the Company's Petition. Please provide the source of the DSIC billing determinants used in the referenced exhibit.
- RCR-NJAWC-RD-5 Reference Exhibit D, page 1 of 2 of the Company's Petition. Please explain in detail how the Company determined the Monthly Accrual amounts shown in the referenced exhibit. Provide an electronic copy of all associated workpapers.
- RCR-NJAWC-RD-6 Reference Section C, on page 5 of the Company's Petition. Please provide a detailed derivation of the "flat rate customer credit" that the Company's proposes to use to refund Stub Period deferrals to ratepayers. Include the source of all required billing determinants.