

RECEIVED
CASE MANAGEMENT

7wd 4/24/18
APR 23 2018



RECEIVED
MAIL ROOM

APR 23 2018

BOARD OF PUBLIC UTILITIES
TRENTON, NJ

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

BOARD OF PUBLIC UTILITIES
TRENTON, NJ

PHIL MURPHY
Governor

SHEILA OLIVER
Lt. Governor

STEFANIA A. BRAND
Director

April 19, 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-A-14** through **RCR-NJAWC-A-17** 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

EMS
Water
Legal
CAG
M. Lupo, Legal

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

SERVICE LIST

***Receives all correspondence
except discovery**

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

BPU Docket No. AX18010001

BPU DOCKET NO. WR18030233

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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 – 5th Floor
P.O. Box 45029
Newark, NJ 07101

Paul Flanagan, Executive Director
NJ Board of Public Utilities
44 South Clinton Ave., 3rd 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

*Patrick Brian
patrickbrin@gdsassociates.com

*Terry Meyers
terry.meyers@gdsassociates.com

*Audrey Cobb
audrey.cobb@gdsassociates.com

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

RECEIVED
MAIL ROOM

APR 23 2018

BOARD OF PUBLIC UTILITIES
TRENTON, NJ

Rate Counsel Requests For Information (Accounting)

RCR-NJAWC-A-14 Please update the attachment to RCR-NJAWC-A-1 with actual data through March 31, 2018.

RCR-NJAWC-A-15 With regard to the response to RCR-NJAWC-A-2, please provide the actual March 2018 STD rate and the estimated STD rates for April, May and June 2018 based on actual data to date.

RCR-NJAWC-A-16 In its response to RCR-NJAWC-A-6 the Company states: "The Company has not been able to determine with certainty to this point whether it can use RSGM." In this regard, please provide the following information:

- a. Explain why the Company is not certain at this point whether it can use RSGM.
- b. Provide the approximate amortization period that would result under the assumption that the Company *can* use RSGM for the flowback of the Protected excess ADIT balance.

RCR-NJAWC-A-17 In its response to RCR-NJAWC-A-9 the Company states that it does not believe that a true-up mechanism can "fix" a normalization violation. In this regard, please provide the following information:

- a. Please confirm that a normalization violation exists only in case the flowback rate of the Protected excess ADIT occurs more rapidly or to a greater extent than the rate at which the book/tax temporary differences reverse over the life of the property that gave rise to the excess. If you do not agree, explain your disagreement.
- b. Can the use of a true-up mechanism be possible when there is no normalization violation in a utility's flowback of the Protected excess ADIT (i.e. when the flowback rate of the Protected excess ADIT is not more rapidly or to a greater extent than the rate at which the book/tax temporary differences reverse over the life of the property that gave rise to the excess)? If not, explain in detail why this cannot be possible.