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BOARD OF PUBLIC UTILITIES
TRENTON, NJ

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BOARD OF PUBLIC UTILITIES
TRENTON, NJ

STEFANIE A. BRAND
Director

May 1, 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-5 through RCR-NJAWC-POL-7** 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: _____

[Signature]
Susan E. McClure, Esq.
Assistant Deputy Rate Counsel

SEM/kah
cc: Service list ✓

[Signature]

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

BPU Docket No. AX18010001

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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

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*Receives all correspondence
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**In the Matter of the New Jersey Board of Public Utilities'
Consideration of the Tax Cuts and Jobs Act of 2017
(New Jersey American Water Company)**

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BPU Docket No. AX18010001

MAY 02 2018

Division of Rate Counsel Discovery Requests
April 30, 2018

BOARD OF PUBLIC UTILITIES
TRENTON, NJ

- RCR-NJAWC-POL-5. In reference to NJAWC's response RCR-NJAWC-A-4, please explain why NJAWC would need the vintage deferred tax records in order to perform the task to separate "unprotected" and "protected" plant-related items. Unprotected should be all plant related items which do not utilize accelerated depreciation, for which you would not need the vintage data.
- RCR-NJAWC-POL-6. IRS normalization rules cover "accelerated depreciation" related timing differences. Items that the IRS has allowed as Repairs would not be related to accelerated depreciation. Those are items that were expensed as repairs for income tax purposes, but were capitalized on the utilities books and records for ratemaking purposes. In reference to NJAWC's response RCR-NJAWC-A-4-d, please explain why NJAWC cannot provide a total of those items that are reclassified repairs for income tax purposes and the related excess deferred income taxes.
- RCR-NJAWC-POL-7. In reference to NJAWC's response to RCR-NJAWC-POL-1, Attachment, please provide a detailed list of the items that NJAWC has grouped together in each of the following:
- a. Code A1 – Advances & Contributions;
 - b. Code A5 – Pension Benefits;
 - c. Code A7 – Other;
 - d. Code L1 – Utility plant, primarily depreciation;
 - e. Code L13 – Pension Benefits; and
 - f. Code L5 – Other.
 - g. Verify whether there are any other Codes which pertain to ADIT or deferred income taxes. If yes, please provide details, including NJAWC's basis to not include them in the re-measurement calculation.