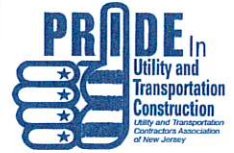




# UTILITY and TRANSPORTATION CONTRACTORS ASSOCIATION OF NEW JERSEY

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**The National-Award-Winning Construction Association**



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November 30, 2020

## VIA ELECTRONIC MAIL

Aida Camacho-Welch  
Secretary of the Board  
NJ Board of Public Utilities  
44 South Clinton Avenue  
PO Box 350  
Trenton, NJ 08625-0350

**Re: NJBPU Docket No. AO20060471**

Dear Secretary Camacho-Welch:

Please accept the following comments related to the above referenced Docket of the Board of Public Utilities (BPU or Board) on behalf of the Utility and Transportation Contractors Association of NJ (UTCA). UTCA is a statewide trade association that represents the interests of approximately 1,000 member firms in the public and private sectors, active in all phases of heavy, highway, utility, and marine construction, as well as site work including remediation of brownfields and contaminated sites. UTCA members provide support to utilities regulated by the BPU through contracts to implement specific projects contained in their capital programs and maintenance plans.

The Division of Rate Counsel's (Rate Counsel) Petition for Relief (Petition), filed October 2, 2020, focuses on the impacts of the COVID-19 public health emergency to ratepayers. No one can dispute the widespread economic damage we continue to suffer through. The conditions we face impacts the bottom line of customers (residents and businesses) and utility companies alike. The Petition identifies actions that various government agencies have taken and a list of additional items that may offer further relief to rate payers.

While not all items recommended for relief are directly related to the interests of our members, UTCA wishes to document our opinion on two specific areas of concern.

**First**, it is well documented that Board-regulated utilities of this State have voluntarily suspended residential utility shutoffs for non-payments prior to Governor Murphy's EO 190 that formalized these efforts. Effectively, the utility shutoff moratorium runs through March 15, 2021 and mitigates many of the concerns raised by the Rate Counsel. In the meantime, customers can avail themselves of assistance programs and deferred payment arrangements. UTCA recommends that State of New Jersey direct a portion of existing and any new federal funding to assist ratepayers in managing a portion of the arrears that have mounted during the COVID-19 public health emergency.

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American Road & Transportation Builders Association  
Clean Water Construction Coalition

**Second**, the Board should not undertake any action that would negatively impact the recognized economic stimulus provided by utility-lead infrastructure programs. Specifically, items recommended by the Rate Counsel would have significant negative impact not considered by the Rate Counsel. On Page 15 of the Petition, it is recommended that the BPU “suspend the filing of new base rate cases and infrastructure programs during the current public health emergency and until further order of the Board.” UTCA strongly disagrees with this recommendation.

Utilities and their contractors are essential employees and have provided vital services during the COVID-19 public health emergency. Utilities have offered ways to help the State recover through job creation and various workforce development initiatives. The Board should focus this proceeding on how to leverage these opportunities for economic stimulus provided by utility employment and their investment in long-standing public policy priorities. UTCA recommends the BPU investigate and strongly consider the additional mechanisms referenced on page 2 of the NJ Utilities Association letter to Board dated November 30, 2020.

If the Board were to accept this recommendation, infrastructure programs in much of the State would suffer greatly. For example, water-sector projects that remove lead service lines would be stalled and necessary investment in water treatment plants to meet drinking water standards promulgated by the NJDEP would be delayed. In the energy sector, utility-led actions to meet the goals of the Energy Master Plan would be postponed.

UTCA is supportive of the BPU-regulated companies maintaining and, if possible, increasing the pace of capital investment to meet their identified and widely accepted current and future needs. An important benefit of maintaining / increasing the pace of capital investment is the role the construction and utilities sector will play in New Jersey’s financial recovery from the pandemic-related budgetary impacts.

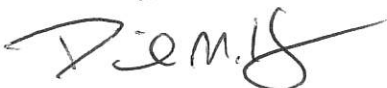
We direct you to the following report from the NJ DOL entitled “New Jersey’s Construction & Utilities Construction Sector.”<sup>1</sup> This report (published in Jan 2020) highlights the “construction industry” as it relates to the utilities industry sector. This report relies on data from 2018 but we believe generally reflects an accurate depiction of the industry pre-pandemic in early 2020. Since a majority of the work sponsored by utilities was deemed essential by governmental order, much of the work and financial output continues today. The State of NJ cannot forge this economic activity by order of the Board.

In terms of return on investment, I would like to point you to two recent studies related to water infrastructure investment, one prepared by a national association by Dr. Allison Black and the other by top leaders in the water industry and coordinated by the US Water Alliance:

- Economic Impacts of Increased Investment In NJ Water Infrastructure – prepared by ARTBA released in Feb 2019<sup>2</sup>
- Economic Benefits of Investing in Water Infrastructure – prepared by the Value of Water Campaign, released Fall 2020<sup>3</sup>

Thank you for the opportunity to comment on this matter.

Sincerely,



Dan Kennedy, PP/AICP

Director, UTCA

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<sup>1</sup> <https://www.nj.gov/labor/lpa/pub/empecon/construction-utilities.pdf>

<sup>2</sup> [https://s24470.pcdn.co/wp-content/uploads/2019/02/ARTBA\\_New-Jersey\\_UTCA\\_Economic\\_Impact\\_Report\\_Feb\\_2019.pdf](https://s24470.pcdn.co/wp-content/uploads/2019/02/ARTBA_New-Jersey_UTCA_Economic_Impact_Report_Feb_2019.pdf)

<sup>3</sup> [http://www.uswateralliance.org/sites/uswateralliance.org/files/publications/VOW\\_Economic%20Paper%20FINAL.pdf](http://www.uswateralliance.org/sites/uswateralliance.org/files/publications/VOW_Economic%20Paper%20FINAL.pdf)