



## NEW JERSEY BOARD OF PUBLIC UTILITIES PRESS RELEASE

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### **New Jersey Board of Public Utilities Issues Order Aimed at Allowing Benefits Utilities Gain from New Federal Tax Law to be Passed on to Ratepayers**

Today, the New Jersey Board of Public Utilities (NJBP) executed an Order mandating that utility companies pass any economic benefit potentially received from the Federal Tax Cuts and Jobs Act to ratepayers.

New Jersey utility rates are based, in part, on the utility companies' tax liability. The new federal tax law reduces the utilities' corporate tax rate from 35% to 21%. As a result, New Jersey ratepayers may receive a reduction in their utility rates.

"It is important to the Murphy Administration that ratepayers see savings from the new tax law," said NJBP President Joseph L. Fiordaliso.

The Board Order initiates a proceeding to review the impact of the new federal tax law, specifically regarding the reduction of rates. The Board further directed the utilities to defer, with interest, the effects of the new tax law. Any utility rate filings must reflect the new federal tax rate, and the Board will subsequently determine the proper method of delivering refunds to ratepayers. It is intended that rates will be adjusted as of April 1, 2018.

#### *About the New Jersey Board of Public Utilities (NJBP)*

*The NJBP is a state agency and regulatory authority mandated to ensure safe, adequate and proper utility services at reasonable rates for New Jersey customers. Critical services regulated by the NJBP include natural gas, electricity, water, wastewater, telecommunications and cable television. The Board has general oversight and responsibility for monitoring utility service, responding to consumer complaints, and investigating utility accidents. To find out more about the NJBP, visit our web site at [www.nj.gov/bpu](http://www.nj.gov/bpu).*