

JAMES C. CAGLE  
Vice President – Regulatory Business

*Handwritten signature*  
10/24/13

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2013 OCT 23 PM 12:35

October 22, 2013

CASE 10100000000000000000

Via FedEx

Honorable Kristi Izzo  
Secretary of the Board  
New Jersey Board of Public Utilities  
44 South Clinton Avenue, 9th Floor  
Trenton, NJ 08625-0350

W013100969

Re: IN THE MATTER OF THE PETITION OF UNITED WATER PRINCETON MEADOWS  
INC. FOR DEFERRAL ACCOUNTING AUTHORITY FOR THE FINANCIAL IMPACT  
OF DAMAGE RELATED HURRICANE IRENE AND SUPERSTORM SANDY

Dear Secretary Izzo:

Please find enclosed herein an original and eleven (11) copies of the Petition in the above  
referenced Matter.

Two (2) copies of the enclosed are being served via Federal Express upon the Director,  
Division of Rate Counsel and upon the Section Chief, Board of Public Utilities Section,  
Office of Attorney General, Division of Law.

Sincerely,

*Handwritten signature of James C. Cagle*

James C. Cagle  
Vice President – Regulatory Business

Enclosures

cc: Maria Moran, Director, Division of Water and Wastewater  
Stefanie A. Brand, Director, Division of Rate Counsel  
Caroline Vachier, Section Chief, Deputy Attorney General

JMS  
Boslow (2)  
DAG  
KPA  
Moran  
Lester

STATE OF NEW JERSEY  
BOARD OF PUBLIC UTILITIES

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IN THE MATTER OF THE PETITION OF  
UNITED WATER PRINCETON MEADOWS INC.  
FOR DEFERRAL ACCOUNTING AUTHORITY  
FOR THE FINANCIAL IMPACT OF DAMAGE  
RELATED HURRICANE IRENE AND  
SUPERSTORM SANDY

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PETITION

Docket No: \_\_\_\_\_

TO THE HONORABLE COMMISSIONERS OF THE BOARD OF PUBLIC UTILITIES:

Petitioner, Untied Water Princeton Meadows Inc. ("UWPM" or "Company"), a duly organized and existing public utility corporation of the State of New Jersey, with its principal office at 31 Maple Avenue, Plainsboro, NJ 08536, hereby petitions the Board of Public Utilities ("Board") of the State of New Jersey, pursuant to N.J.S.A. 48:2-16, 48:2-21.1 and 48:2-23, and such other statutes, regulations and Board Orders that may be deemed by the Board to be applicable, as follows:

1. UWPM is a duly organized and existing public utility of the State of New Jersey subject to the jurisdiction of the Board. The Company is engaged in the business of collecting, treating and disposing of waste water, and provides this service on a retail basis, to customers in a portion of the Township of Plainsboro, in the County of Middlesex, New Jersey. The Company owns and operates sewerage facilities.

2. UWPM respectfully requests authority from the Board to defer on its books the actually incurred incremental storm costs associated with Hurricane Irene

and Superstorm Sandy that are not otherwise recovered through its currently approved base rates. The Company proposes that the appropriate amortization period for such deferred costs will be addressed in the Company's next base rate case.

3. Hurricane Irene was an unprecedented storm event in the utility industry which had a major impact on operations primarily due to flood damage to critical treatment facilities including critical electrical powered processing equipment and electric drivers and controls as well as the loss of electric power service. Superstorm Sandy did not have as great an impact on the Company's operations but required significant expenditures for back-up generation and clean-up.

Despite significant, widespread power outages in the Company's service territory, which impacted the plant locally, for approximately 38 days during Hurricane Irene and 7 days during Superstorm Sandy, the Company was able to limit service disruptions through prudent planning and prompt action.

Prolonged power outages forced the Company to rely on backup generators to power its pumping and treatment facilities, which required extensive overtime and use of outside contractors to mitigate storm damage; assess damage after the storm; identify, prioritize and undertake repairs; inspect and repair equipment damaged by the storm and to restore service.

4. The costs associated with Hurricane Irene and Superstorm Sandy for which UWPM is seeking deferral authority is currently \$461,784.00 and includes the cost of overtime, outside contractor costs, fuel, generator rental and transport, rental of equipment, and other directly related expenses resulting from storm

damage mitigation, assessment, repair, clean up, and restoration activities in the affected the Company's service area which would not otherwise have been incurred. This amount does not include the replacement of and cost of removal for plant infrastructure which is appropriately included in Plant in Service and Accumulated Depreciation. Although this amount represents the majority of costs, additional final invoices for vendor services may still be outstanding. Exhibit A to this Petition contains a detailed listing of storm costs incurred by UWPM.

5. These storm costs represent actual, prudently incurred costs associated with the impact of Hurricane Irene and Superstorm Sandy on the UWPM sewerage facilities.

6. No ongoing, routine expenses are included in the requested deferral accounts established for costs associated with storm damages and include only additional expenses incurred as a direct result of the storm.

7. UWPM respectfully requests that the Board approve this request in an expedited manner and issue a Decision and Order authorizing such deferred accounting treatment.

8. The authority to implement the treatment requested herein is consistent with that approved by the Board for New Jersey American Water Company, Inc. by Order dated 2/25/13, effective 3/1/13 in Docket No. WOJ2121079. Additionally, the Board, by Order dated 3/20/13 (Docket No. A.XJ3030!96) established a generic proceeding to investigate the prudence of costs incurred by all New Jersey utilities for utility service restoration efforts associated with Hurricane Sandy and other Major Storm Events as defined in such

Order. The Board also ordered Staff to open the generic proceeding to evaluate and review the prudence of all submissions for such expense reimbursement from ratepayers filed under its own separate sub-docket numbered proceeding. This Petition is such a proceeding.

9. UWPM has served notice and a copy of this filing upon the New Jersey Division of Rate Counsel and the Office of the Attorney General, Division of Law.

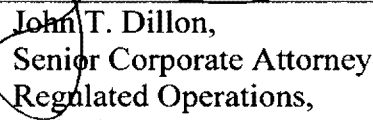
WHEREFORE,

1. The Company respectfully requests that the Board issue an Order approving the request for deferral authority described above; and
2. Such other relief that the Board deems just, reasonable and necessary.

Respectfully Submitted,

United Water Princeton Meadows Inc.

By:

  
\_\_\_\_\_  
John T. Dillon,  
Senior Corporate Attorney-  
Regulated Operations,  
United Water

Dated: October 22, 2013

In the Matter of the Petition of United Water Princeton Meadows Inc. for Deferral  
Accounting Authority for the Financial Impact of Damage Related to Hurricane Irene  
and Superstorm Sandy

Summary of Deferred Expenses:

**Outside Services:**

Plant Repairs and Restoration	185,848	
Clean-up Costs - Outside Services	20,920	
Total Outside Services		\$206,769

**Materials & Supplies:**

Generator Rental and Fuel	\$241,615	
Equipment Rental and Supplies	5,575	
Misc.	2,033	
Total Materials and Supplies		249,223

Labor - Overtime		<u>5,792</u>
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Total		<u><u>461,784</u></u>
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**VERIFICATION**

STATE OF NEW JERSEY                    }

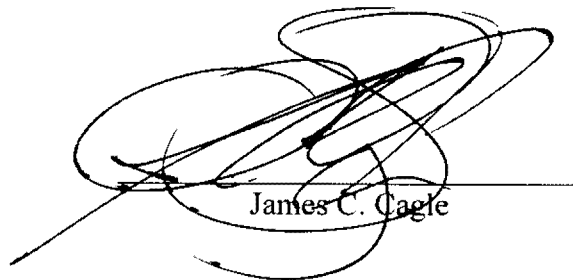
COUNTY OF BERGEN                        }

JAMES C. CAGLE, of full age, being duly sworn, upon his oath deposes and says:

1. I am Vice President, Regulatory Business, United Water Princeton Meadows, Inc., the Petitioner in the foregoing Petition, and in that capacity I am authorized to make this Verification on behalf of United Water Princeton Meadows, Inc. in this matter.

2. I have reviewed the within Petition and exhibits thereto, and the same are true and correct to the best of my knowledge, information and belief.

3. I certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.

  
James C. Cagle

Sworn to and subscribed before me  
this 22<sup>nd</sup> day of October, 2013.

Sandra Talone  
Notary Public  
My commission expires: 1/25/2018

**SANDRA TALONE**  
**NOTARY PUBLIC OF NEW JERSEY**  
**ID # 2429255**  
**My Commission Expires 1/25/2018**