



State of New Jersey
 DIVISION OF RATE COUNSEL
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BOARD OF PUBLIC UTILITIES
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STEFANIE A. BRAND
 Director

REC'D
 2014 SEP 18 PM 1 51

NJ BPU
 CASE MANAGEMENT

September 17, 2014

VIA HAND DELIVERY

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

Re: I/M/O the Petition of United Water Tom's River, Inc., for Approval to Sell its Administrative Offices As a Result of Superstorm Sandy BPU Docket No.: WM14070708

Dear Secretary Izzo:

Please accept for filing an original and eleven copies of the Division of Rate Counsel's ("Rate Counsel") comments regarding the above referenced matter. Please date stamp the additional copy as "filed" and return it in the enclosed, self-addressed, stamped envelope. Thank you for your consideration and attention to this matter.

Background

On July 2, 2014, United Water Tom's River, Inc., ("UWTR" or the "Company") filed a Petition with the Board of Public Utilities ("BPU" or "Board") requesting approval to sell its offices located at 15 Adafre Avenue, Toms River, New Jersey ("15 Adafre Avenue") and to recognize that the notice requirements of NJAC 14:1-5.6(b) were met by the Company as a result of the impact of Superstorm Sandy. Prior to Superstorm Sandy, the Company maintained its principal business offices at 15 Adafre Avenue. In an Order dated April 29, 2013, the Board recognized that as a result of Superstorm Sandy, the Company's office located at 15 Adafre

Avenue had become unusable.¹ The Company filed a petition on October 1, 2013 seeking *nunc pro tunc* approval for the relocation of its principal office to 1451 Route 37 West, Toms River, New Jersey 08754. (BPU Docket No.:WO13100884) Rate Counsel filed a letter of “no objection” to *nunc pro tunc* approval with the Board on November 14, 2013. The Company signed a contract for sale of its building at 15 Adafre Avenue on June 30, 2014.² The sale price of the building is \$550,000, and is contingent upon the approval of the BPU.³ Although the Company is requesting a waiver of the advertising requirements of N.J.A.C. 14:1-5(b) due to the difficult circumstances created by Superstorm Sandy, the Company did make an effort to undertake some advertising in the way of a marketing flyer, mailed to hundreds of prospective buyers.⁴

Recommendation

Rate Counsel does not object to Board approval of the sale of the UWTR office property located at 15 Adafre Avenue, or the inclusion of a finding that because of the impact of Superstorm Sandy, Petitioner has met all notice requirements of N.J.A.C. 14:1-5.6(b).

The Board’s approval should be subject to appropriate conditions to assure the proper ratemaking treatment of the sale. The determination of any ratemaking impact from the sale should be addressed in the Company’s next rate proceeding.

Accordingly, Rate Counsel recommends that any Board Order approving the Company’s Petition contain the following language:

1. This Order shall not be construed as directly or indirectly fixing for any purposes whatsoever any value of any tangible or intangible assets or liabilities now owned or hereafter to be owned by the Petitioner.

¹ See Exhibit 1 of Petition, Order dated April 29, 2013, BPU Docket No.: WR12090830.

² See Exhibit 2 of Petition.

³ See Exhibit 2, Pages 2 and 4.

⁴ See Exhibit 4 of Petition.

2. This Order shall not affect nor in any way limit the exercise of the authority of this Board or of this State, in any future Petition or in any proceedings with respect to rates, franchises, service, financing, accounting, capitalization, depreciation, or in any other matter affecting the Petitioner.

These provisions will satisfy the concerns of Rate Counsel that BPU approval is limited to the sale of the office property, and should not indicate authorization to adjust any specific amounts in rate base, or indicate authorization for any other ratemaking treatment. With these caveats, Rate Counsel is not opposed to approval of the Petition.

Respectfully submitted,

STEFANIE A. BRAND, ESQ.
Director, Division of Rate Counsel



By: Susan E. McClure, Esq.
Assistant Deputy Public Counsel

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cc:Service List

In the Matter of the Petition of United
Water Toms River, Inc. for Approval
to Sell Its Administrative Offices as a
Result of Superstorm Sandy

BPU Docket No.: WM14070708

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discovery.*

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e-mail only.*