

filed 11/25/13



State of New Jersey  
DIVISION OF RATE COUNSEL  
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KIM GUADAGNO  
Lt. Governor

STEFANIE A. BRAND  
Director

November 20, 2013

**VIA HAND DELIVERY**

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

**Re: I/M/O the Petition of United Water Tom's River, Inc., for Approval to Move its Administrative Offices As a Result of Superstorm Sandy  
BPU Docket No.: WO13100884**

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 September 30, 2013, United Water Tom's River, Inc., ("UWTR" or the "Company") filed a Petition with the Board of Public Utilities ("BPU" or "Board") requesting approval, *nunc pro tunc*, to move its administrative offices as a result of Superstorm Sandy. Prior to Superstorm Sandy, the Company maintained its principal business offices at 15 Adafre Avenue, Toms River, New Jersey, 08754. The Company is seeking *nunc pro tunc* approval for the relocation of its principal office to 1451 Route 37 West, Toms River, New Jersey 08754. In an Order dated April 29, 2013, (the "Board Order") the Board recognized that as a result of Superstorm Sandy, the Company's office located at 15 Adafre Avenue had become unusable.<sup>1</sup> The Company states that

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

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a drop box for payments was provided and a notice was posted at the door of the Adafre Avenue location, notifying customers of the closure and referring them to toll free call center in Hackensack. The Company states that a letter was submitted to the Board on April 24, 2013, explaining the situation and the status of its relocation.<sup>2</sup> Subsequently, UWTR obtained a lease for a facility located outside of the flood zone. The lease for the new location at 1451 Route 37 West, Toms River, was signed by UWTR on July 11, 2013. The Company met with Board Staff on August 27, 2013 and sent a follow up letter regarding the new location, dated August 29, 2013. UWTR ran a newspaper notice of the new location on September 12, 2013 and posted notice at Adafre Avenue.

#### **Recommendation**

Rate Counsel does not object to the Board's *nunc pro tunc* approval of the UWTR application to relocate its Adafre Avenue Office location to the new site to 1451 Route 37 West, Toms River, New Jersey. UWTR complied with the requirement of the April 29, 2013 Board Order, in that the Company did "[p]rovide customers and other interested parties with notification of the office relocation by causing newspaper publication of a copy of a Notice in the Asbury Park Press and by posted Notice at the former office location, as required by N.J.A.C. 14:3-5.1(e) 2." The Company must also "[m]aintain the same hours of operation, staffing levels [and] level of service as were provided at its prior location and continue to comply with all Board rules and regulations".<sup>3</sup>

Approval of the Petition should not include authorization to include in rate base the specific assets that will be acquired as a result of this Petition. The determination of any assets

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<sup>2</sup> Exhibit 2 of Petition.

<sup>3</sup> Board Order, at p.3.

to be included in rate base and the ratemaking impact 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 now owned or hereafter to be owned by the Petitioner.
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 office relocation, and should not indicate authorization to include any specific assets or 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 Rate Counsel

SEM/dn  
cc: Service List

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

BPU Docket No.: WO13100884

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