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FEB 27 2015

BOARD OF PUBLIC UTILITIES
 MAIL ROOM

February 27, 2015

VIA FEDERAL EXPRESS

Honorable Kenneth Sheehan, Secretary
 Board of Public Utilities
 44 South Clinton Avenue, 9th Floor
 Post Office Box 350
 Trenton, NJ 08625-0350

Re: In the Matter of the Petition of United Water Toms River Inc. for Approval
 of an Increase in Rates for Water Service and Other Tariff Changes
 BPU Docket No. WR1502 0269

Dear Secretary Sheehan:

Enclosed for filing please find an original and ten (10) copies, plus one additional copy, of a Petition submitted on behalf of United Water Toms River Inc., initiating the above-referenced matter.

Kindly stamp the additional copy "filed" and return in the enclosed self-addressed, stamped envelope. Thank you for your attention to this matter.

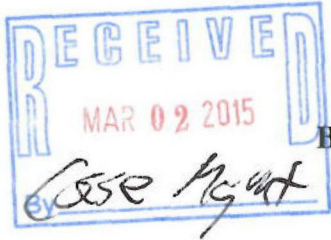
CMS
 LEGAL(2)
 DAG
 RPA
 M. Kammer
 M. Moran
 WATER(4)
 SBG/jg
 Enclosures

J. FORD

Respectfully submitted,

Stephen B. Genzer

cc: Attached Service List (w/encl.)



STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

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BOARD OF PUBLIC UTILITIES
MAIL ROOM

IN THE MATTER OF THE PETITION OF
UNITED WATER TOMS RIVER INC.
FOR APPROVAL OF AN INCREASE IN
RATES FOR WATER SERVICE AND
OTHER TARIFF CHANGES

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VERIFIED PETITION

BPU DOCKET NO. WR1502 _____

TO THE HONORABLE COMMISSIONERS OF THE BOARD OF PUBLIC UTILITIES:

Petitioner, United Water Toms River Inc. (“UWTR” or the “Company”), respectfully submits this Petition pursuant to N.J.S.A. 48:2-21, N.J.A.C. 14:1-5.12 and other related statutes and regulations and shows that:

1. Petitioner is a public utility corporation of the State of New Jersey subject to the jurisdiction of the New Jersey Board of Public Utilities (the “Board”). Petitioner maintains its principal business office at United Water Toms River, 1451 Route 37 West, Toms River, NJ 08755-4968.

2. Petitioner is engaged in the business of collecting, treating and distributing water for retail service to approximately 50,000 customers located in the central portion of Ocean County, specifically in the municipalities of Toms River Township (formerly known as Dover Township), the Borough of South Toms River, a portion of Berkeley Township, and seven customers in a small portion of Brick Township.

3. In this Petition, the Company is seeking Board approval to increase rates to produce additional revenues of approximately \$5,208,512 or approximately 16.85% above

current revenues. The need for, and the magnitude of, the proposed rate increase is driven by a number of factors. First, UWTR has experienced increases in the costs of labor and other cost components necessary to provide service to customers. Second, UWTR has made, and will continue to make, capital investments in system facilities to serve customers. Third, UWTR has experienced significant declines in its revenues as a result of several factors including both decreased consumption and decreased number of customers. The costs of new facilities, as well as the cost increases and revenue decreases noted above, are not currently reflected in rates. This may only be accomplished through the updating of rate base, revenues and expenses, and the implementation of the results of a base rate proceeding. Taken together, these changes experienced by the Company necessitate the filing of a base rate proceeding.

4. The rate increase proposed in this Petition is required to enable the Company to maintain a satisfactory credit position, preserve its financial integrity, permit proper maintenance and improvement of the utility facilities required to furnish safe, adequate and proper service, encourage effective management and provide incentives for efficiency, prevent confiscation or diminution of its property, and to earn a reasonable return upon the fair value of its property used and useful in the public service.

5. The Company seeks approval to increase rates for water service as described in further detail in the direct testimony of Mr. James Mastrokalos (PT-1) and Mr. Gary Prettyman (PT-2) for service beginning on and after March 31, 2015, which is at least thirty (30) days after the filing of this Petition.¹ UWTR hereby notifies the Board that it will implement the proposed rates on December 1, 2015 if the Board has suspended the effective date of the new

¹ Petitioner has not waived its right to have this case decided by the Board within the time period specified at N.J.S.A. 48:2-21.

rates pursuant to N.J.S.A. 48:2-21 without having finally determined a just and reasonable tariff schedule prior to that date.

6. The test year used in support of this Petition is the twelve month period ending June 30, 2015, and reflects all known and anticipated changes, annualized, that will occur before June 30, 2015. The pro forma year represents rate base at December 31, 2015, as well as increases in revenues, operating expenses and the number of customers through December 31, 2015. Annexed hereto and made a part hereof, as if fully set forth herein, are the following Petitioner's exhibits and testimonies:

EXHIBITS:

- Exhibit P-1 Income Statements & Balance Sheets – 2012, 2013 & 2014
- Exhibit P-2 Income Statement–Twelve Months Ended September 30, 2014
- Exhibit P-3 Balance Sheet–At September 30, 2015
- Exhibit P-4 Income Statement, Revenues, O&M Expenses, Depreciation Expense, GRFT, Other Taxes, Income Taxes, Capitalization, & Rate Base
- Exhibit P-5 Capital Program
- Exhibit P-6 Cost of Capital
- Exhibit P-7 Proposed Tariff
- Exhibit P-8 Proposed Form of Notice

TESTIMONY:

- PT-1 James Mastrokalos
- PT-2 Gary S. Prettyman
- PT-3 Elda Gil
- PT-4 Ashley Adams

PT-5 Tracey Liberi

PT-6 Pauline M. Ahern

7. The Company has a Distribution System Improvement Charge (“DSIC”) in place and pursuant to BPU regulations intends to implement the effect of those regulations by including any interim DSIC increases into its rate base and tariffs.

8. As described in the testimony of Company witnesses Prettyman and Gil, the Company is seeking authority to make certain largely ministerial tariff changes.

9. The Company intends to supplement this Petition as needed and will furnish such other and additional information as may be required by the Board.

10. In addition to the Secretary of the Board, two copies each of this filing and all annexed exhibits are being served upon the Division of Rate Counsel and on the Department of Law and Public Safety. Notice of the filing and a statement of its effect will be furnished to customers of UWTR by a notice placed in newspapers published and circulated in the Company’s service area pursuant to the rules of the Board. Copies of the notice of filing, the proposed tariffs and of the date set for public comment hearing in this matter will be served on the municipalities and the Clerks of the Boards of Chosen Freeholders, and where applicable the County Executive, pursuant to the Board’s regulations at N.J.A.C. 14:1-5.12(b)-(d). Proof of service of the notices referred to herein will be filed with the Board in accordance with the Board's regulations.

11. Correspondence in this matter should be addressed to the following:

Stephen B. Genzer, Esq.
Colleen A. Foley, Esq.
Saul Ewing LLP
One Riverfront Plaza, Suite 1520
1037 Raymond Blvd.
Newark, New Jersey 07102

And

Gary S. Prettyman
Senior Director – Regulatory Business
United Water Management & Services Inc.
200 Old Hook Road
Harrington Park, New Jersey 07640

WHEREFORE, United Water Toms River Inc. respectfully requests that the Board:

- A. Authorize an increase in rates and tariffs to produce additional revenues of approximately \$5,208,512 above the annual level of revenues for the test year ending June 30, 2015; and
- B. Grant such other relief as is just and proper.

Respectfully submitted,



By: _____
Stephen B. Genzer, Esq.
Saul Ewing LLP
Attorneys for Petitioner

Dated: February 27, 2015

VERIFICATION


STATE OF NEW JERSEY }
 :
COUNTY OF BERGEN }

GARY S. PRETTYMAN, of full age, being duly sworn, upon his oath deposes and says:

1. I am Senior Director - Regulatory Business for United Water Management and Services Inc., and in that capacity I am authorized to make this Verification on behalf of United Water Toms River Inc., the Petitioner 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.



Gary S. Prettyman

Sworn to and subscribed before me
this 7th day of February, 2015

Debra Maureen Visconti
Notary Public
My commission expires: 8/19/19

