



State of New Jersey
 DIVISION OF RATE COUNSEL
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OCT 28 2015

STATE OF NEW JERSEY
 DIVISION OF RATE COUNSEL

CHRIS CHRISTIE
 Governor

KIM GUADAGNO
 Lt. Governor

STEFANIE A. BRAND
 Director

October 28, 2015

Via Electronic Mail and US Regular Mail

Irene Kim Asbury, Secretary
 Board of Public Utilities
 44 South Clinton Avenue, 9th Floor
 P.O. Box 350
 Trenton, New Jersey 08625

**Re: I/M/O the Petition of New Jersey American Water Company, Inc., for
 Implementation of an Initial Tariff for Wastewater Service within Elk Township,
 County of Gloucester
 BPU Docket No.: WT15070780**

Dear Ms. Asbury:

Please accept for filing an original and ten (10) copies of comments filed on behalf of the Division of Rate Counsel ("Rate Counsel") regarding the above-referenced matter. Enclosed is one additional copy. Please date stamp the copy as "filed" and return it to the courier. Thank you for your consideration and attention to this matter.

On July 8, 2015, New Jersey American Water Company, Inc. ("NJAW" or "Company") filed a petition for approval with the Board of Public Utilities ("BPU" or "Board"), pursuant to N.J.S.A. 48:2-13, N.J.S.A. 48:2-21 and N.J.A.C. 14:1-5, of an initial tariff for wastewater service within Elk Township (the "Township") (the "Petition"). The Petition was also filed pursuant to the municipal consent and franchise granted by the Township and approved by the Board in an Order dated April 29, 2013, in Docket No.: WE12070661. Rate Counsel has reviewed the Petition filed by NJAW and the discovery responses provided by NJAW in response to questions from Board Staff in connection with this matter. Based upon that review,

Chris Christie
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Rate Counsel has no objection to the Board approving the Company's request to implement an initial tariff within Elk Township subject to the following provisions. Approval of the Petition should not include authorization to include in rate base the specific assets that will be constructed as a result of approval of this Petition. The determination of any assets to be included in rate base and the ratemaking impact of serving these new customers should be addressed in a future base 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 implementation of the initial tariff, and that there is no authorization to include any specific assets or amounts in rate base, nor authorization for any other ratemaking treatment. If the Board adopts these conditions, Rate Counsel is not opposed to approval of the Petition. Thank you for your attention to this matter. If you require any additional information, please do not hesitate to contact me.

Respectfully submitted,

STEFANIE A. BRAND, ESQ.
Director, Rate Counsel

By: 

Susan E. McClure, Esq.
Assistant Deputy Rate Counsel

SEM/ddg
cc: Service List

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