



STATE OF NEW JERSEY
Board of Public Utilities
Two Gateway Center, Suite 801
Newark, NJ 07102
www.nj.gov/bpu/

WATER

IN THE MATTER OF THE NOTICE AND APPROVAL OF)
AFFILIATE AGREEMENT BETWEEN UNITED WATER)
NEW JERSEY, INC. AND JPI PAINTING INC.)
)
) ORDER APPROVING)
) AFFILIATE AGREEMENT)
) DOCKET NO. WO10060410)

Mary T. Campbell, United Water, Harrington Park, NJ 07640

BY THE BOARD:

On June 18, 2010, United Water New Jersey ("United" or "Petitioner") filed a petition under N.J.S.A. 48:3-7.1 seeking approval from the Board of Public Utilities ("BPU" or "Board") for the Tank Painting Agreement ("Agreement"), which is a contract for tank painting services between United and JPI Painting, Inc. ("JPI"). The Agreement is dated June 10, 2010 and concerns work to be performed on the interior and exterior rehabilitation of Tank # 1 for a sum of \$495,925, and Tank # 2 for a sum of \$447,875. The contract term runs from June 10, 2010 to December 31, 2010.

Under N.J.S.A. 48:3-7.1, the Board must disapprove such contract "if it determines that such contract violates the laws of this state or of the United States, or that the price or compensation thereby fixed exceeds the fair price or fair compensation for the property to be furnished or the work to be done or the services to be rendered thereunder or is contrary to the public interest: otherwise the board shall approve such contract."

United services more than 195,000 customers located in the northern and western portions of the State of New Jersey. Specifically, United serves customers in portions of Bergen, Hudson, Hunterdon, Morris, Passaic and Sussex Counties. United also supplies water for resale service to the Township of Saddle Brook and the Boroughs of Fairlawn, Saddle River, Allendale, Mahwah, and Ramsey.

JPI and United are both subsidiaries of Suez Environment North America Inc. JPI is a corporation authorized to conduct business in the State of New Jersey. United solicited bids from four pre-qualified painting contractors for three of its tanks scheduled for painting. JPI offered the lowest bid for the work at the Haworth Backwash Tank # 1 ("Tank #1") and Haworth Backwash Tank # 2 ("Tank # 2") located at United's Haworth Water Treatment Plant in Haworth, New Jersey.

The Company followed typical industry practice in soliciting bids from known, pre-qualified contractors. Three of the four contractors solicited, including JPI, were independent contractors with no affiliation with the Company. The tentative award of the work is to JPI, the low bidder. The Company has prior experience using JPI to paint water tanks and JPI is authorized to conduct business in New Jersey. Under the current ownership structure, the Company and JPI share certain officers and directors, although the Company has indicated that none of these individuals had any involvement in the bidding process.

By letter dated September 1, 2010, the Division of Rate Counsel filed comments, stating that it has reviewed the filing and is not opposed to its approval. However, Rate Counsel recommended that any Board Order approving the Company's Petition should contain the following language: "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, financing, accounting, capitalization, depreciation, or in any other matter affecting the Petitioner."

A review of the record indicates that the Agreement involves a fair price for the services to be rendered. Based on the information contained in this filing, the Board **HEREBY FINDS** that the Agreement does not violate the laws of the State of New Jersey or of the United States, does not contain a price or compensation that exceeds the fair price or fair compensation for the work to be done or the services to be rendered, and is not contrary to the public interest.

The Board **HEREBY APPROVES** the Agreement between United Water New Jersey and JPI Painting, Inc. and **HEREBY AUTHORIZES** JPI Painting, Inc. to render services outlined in the Agreement for the Haworth Backwash Tank # 1 and Haworth Backwash Tank # 2.

The approval granted herein shall be subject to the following provisions:

1. This Order shall not affect or in any way limit the exercise of the authority of this Board in any future petition or in any proceeding with respect to rates, financing, accounting, capitalization, depreciation, or in any other matter affecting the Petitioner.
2. The Board reserves the right to conduct future reviews of the Agreement to evaluate whether the Agreement remains reasonable.
3. United Water New Jersey will notify the Board if the Agreement is altered or terminated.

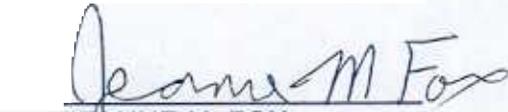
4. Petitioner shall submit to the Board fully executed copies of the Agreement within Twenty (20) days of Board approval.

DATED: 10/5/10

BOARD OF PUBLIC UTILITIES
BY:



LEE A. SOLOMON
PRESIDENT



JEANNE M. FOX
COMMISSIONER



JOSEPH L. FIORDALISO
COMMISSIONER



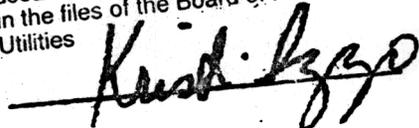
NICHOLAS ASSELTA
COMMISSIONER



ELIZABETH RANDALL
COMMISSIONER

ATTEST:

KRISTI IZZO
SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities


IN THE MATTER OF THE NOTICE OF APPROVAL OF AFFILIATE AGREEMENT BETWEEN
UNITED WATER NEW JERSEY, INC. AND JPI PAINTING INC.

DOCKET NO.WO10060410

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