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September 4, 2013

VIA EMAIL AND FEDERAL EXPRESS

New Jersey Board of Public Utilities
The Honorable Kristi Izzo, Secretary
44 South Clinton Avenue
9th Floor
P.O. Box 350
Trenton, New Jersey 08625-0350

Re: *In the Matter of the Board's Review of the Applicability and Calculation of a Consolidated Tax Adjustment, Docket No. E012121072*

Dear Secretary Izzo:

The United Water Companies purveying water and sewer services in New Jersey provide this response to the Notice dated July 25, 2013 in the generic proceeding referenced above. The United Water Companies ("UW Companies") are United Water New Jersey Inc., United Water Toms River Inc., United Water Arlington Hills Sewerage Inc., United Water West Milford Inc., United Water Princeton Meadows Inc., and United Water Matchaponix Inc.

Please note the UW Companies reserve the option to supplement the responses as necessary during the pendency of this generic proceeding.

A substantial portion of the information requested in the Notice relates to United Water's numerous non-regulated subsidiaries and such information for those entities is confidential in nature as the business environment in which those subsidiaries operate is highly competitive. The UW Companies are providing the requested information by reference to recent rate case filings under which the information was provided confidentially. Both Board of Public Utility Staff as well as the Division of Rate Counsel was provided this information in those cases. The Company will, if needed, provide the information from those dockets to Staff at its request for its convenience.

The exception to the above is item g. Item g requests the amount of bonus depreciation taken by each member of the consolidated income tax group in each year since 1991. This information was not requested in the Company's previous rate case filings and therefore cannot be provided

via reference. The UW Companies would request that a provision for providing confidential information be established in this Matter so that the information can be provided.

The UW Companies responses are as follows:

- a. A copy of any tax sharing agreement relating to the filing of a consolidated income tax return.

Please see Docket WR12090830 (United Water Toms River) in response to Data Request RCR-A-20.

- b. The year in which the utility was first included in a consolidated tax return.

Please see Docket WR13030210 (United Water New Jersey) RCR-A-84.

- c. The total amount paid by the utility to its parent company for federal income taxes in each year since 1991.

Please see Docket WR13030210 (United Water New Jersey) RCR-A-81 and RCR-A-83 (Confidential).

- d. The total amount paid by all members of the consolidated income tax group to the parent company relating to federal income taxes, in each year since 1991.

Please see Docket WR13030210 (United Water New Jersey) RCR-A-81 and RCR-A-83 (Confidential).

- e. The amount paid to each loss company by the parent, in each year since 1991.

Please see Docket WR13030210 (United Water New Jersey) RCR-A-83 (Confidential).

- f. The total amount paid by the consolidated entity to the IRS for federal income taxes in each year since 1991.

Please see Docket WR13030210 (United Water New Jersey) RCR-A-80 (Confidential)

- g. The amount of bonus depreciation taken by each member of the consolidated income tax group in each year since 1991.

This information was not requested in the Company's previous rate case filings and therefore cannot be provided via reference.

- h. The amount of Alternative Minimum Taxes paid by the consolidated income tax group in each year since 1991.

Please see Docket WR13030210 (United Water New Jersey) RCR-A-57 and RCR-A-87 (Confidential).

- i. The amount of any tax loss carryforward available to the consolidated group and the period(s) over which these tax loss carryforwards are available to be used by the consolidated group.

Please see Docket WR13030210 (United Water New Jersey) RCR-A-85 (Confidential).

- j. A brief description of each company included in the consolidated income tax group since 1991, along with an indication of whether each company is regulated or non-regulated.

Please see Docket WR13030210 (United Water New Jersey) RCR-A-76 and RCR-A-77

- k. The reason why a company that was previously included in the consolidated income tax group is no longer included in the group.

Please see Docket WR13030210 (United Water New Jersey) RCR-A-76, and RCR-A-79

- 1. All workpapers and calculations relating to the calculation of the CTA as requested in the Notice.

Please see Docket WR13030210 (United Water New Jersey) RCR-A-87 (Confidential) and Docket WR12090830 (United Water Toms River) RCR-A-22. CTA information was not requested for the remaining UW Companies in their last rate cases.

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- m. The federal income taxes (both current and deferred) reported by the consolidated income tax group on the parent company's Annual Report, by year since 1991.

The parent of the UW Companies is Suez Environnement which is an international company with operations in numerous countries. U.S. Federal income taxes are not shown separately on its annual report to shareholders.

- n. The federal income taxes (both current and deferred) by the utility, by year since 1991.

Please see Docket WR13030210 (United Water New Jersey) RCR-A-81 and RCR-A-83.

Additionally, if additional calculations utilizing the UW Companies information are to be performed, we are happy to assist in such calculations.

This response is provided as directed within the Notice of Opportunity to Provide Additional Information whereby an electronic copy is submitted in WORD format to rule.comments@bpu.state.nj.us and paper copies shall be delivered to the Secretary's office by mail.

Sincerely,



James C. Cagle
Vice President, Regulatory Business

JCC/

Ecc: T. Caliguire, Esq.
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