

**REMARKS OF KIMBERLY K. HOLMES,
ACTING DIRECTOR
DIVISION OF RATE COUNSEL
PRESENTED BY GINA M. HUNT, ESQ.
ASSISTANT DEPUTY PUBLIC ADVOCATE**

In the Matter of the Verified Petition of East Coast Oakwood Apartments Sewage
LLC for Approval of a Transfer of Control of Oakwood Village Sewerage
Associates, L.L.C.
BPU Docket No. WM07070535

Public Hearing
Mount Olive Public Library
202 Flanders-Drakestown Road
Flanders, NJ 07836
11:30 a.m.
August 16, 2007

Good morning, everyone, my name is Gina M. Hunt. I am an attorney with the New Jersey Division of Rate Counsel (“Rate Counsel”). Rate Counsel represents and protects the interests of all utility consumers including residential customers, small business customers, small and large industrial customers, schools, libraries, and other institutions in our communities. Rate Counsel is also a party in cases where New Jersey utilities seek changes in their rates or services. Moreover, Rate Counsel gives consumers a voice in setting long-range energy, water and telecommunications policy that will affect the rendering of utility services well into the future.

On July 17, 2007 East Coast Oakwood Apartments Sewage, LLC (“Petitioner”) filed a petition to acquire a one hundred percent (100%) ownership interest in Oakwood Village Sewerage Associates, L.L.C. (“OVSA”) a public utility regulated by

the New Jersey Board of Public Utilities (“BPU”). This petition was filed to facilitate a much larger transaction whereby East Coast Residential Associates and affiliated entities will be purchasing eighty-six major rental properties from Westminster Management and affiliated entities. The majority of these rental properties are located in New Jersey, including the 1,224 unit Oakwood Village Apartment complex, in Mount Olive Township which receives sewerage collection and treatment services from OVSA. The OSVA sewerage treatment plant is located on Route 206 in Flanders, New Jersey and sits on approximately 40 acres. The plant services the 1,224 apartments as well as 34 residential homes of Millbrook Estates. The treatment plant is currently operated by Applied Water Management.

Petitioner asserts the proposed acquisition will have no adverse impact on existing rates. Neither will the acquisition have any impact on OVSA’s employees since OVSA has no employees. Furthermore, Petitioner also assert the proposed acquisition will also not have an adverse impact on competition or the provision of safe, adequate and proper utility service and that Applied Water Management will continue to operate the sewerage treatment plant and collection system.

Our office represents the ratepayers in utility acquisition cases. As necessary, we work with a team of accountants and lawyers to analyze these cases. We are currently conducting a complete and thorough investigation of this Petition to evaluate whether

and to what extent this acquisition will be beneficial to ratepayers. Towards that end, we have requested and are currently reviewing detailed information from the Petitioner, about the acquisition.

In our investigation of this case, Rate Counsel has focused on whether the proposed acquisition will result in actual benefits to the ratepayers and ultimately, whether the proposed acquisition will affect the utility's ability to provide safe, reliable service at the lowest possible rate. We expect to question company witnesses about these concerns and to raise them at any settlement meetings or evidentiary hearings. However, the ultimate decision regarding this matter will be made by the BPU.

The purpose of this public hearing today is for you, the customer, to voice your opinion, relate your experiences and offer your concerns. It is important that you express your views, as they become part of the record on which the BPU makes its decision. Rate Counsel also wishes to hear your views. We strongly encourage your participation, which will help us evaluate the Joint Petitioners' proposal and prepare for hearings.

This public hearing is being transcribed and your comments will become part of the record. The Hearing Examiner will instruct you to give your name and address before you speak. I would like to reiterate the importance of your input so that Rate Counsel can have a clear record of your concerns and interests. On behalf of Rate

Counsel, I thank you for attending this public hearing.