

Agenda Date: 10/05/10

Agenda Item: VA



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)	ORDER APPROVING
AFFILIATE AGREEMENT BETWEEN UNITED WATER)	AFFILIATE AGREEMENT
NEW JERSEY, INC. AND UTILITY SERVICES CO., INC.)	
)	DOCKET NO. WO10060409

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 Utility Service Company, Inc. ("USC"). The Agreement is dated June 10, 2010 and concerns work to be performed on the interior and exterior rehabilitation of the Alpine Timberline Tank located in Alpine, New Jersey, for the period June 10, 2010 to December 31, 2010 for a sum of \$635,900.

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, the Borough of Fairlawn, Saddle River, Allendale, Mahwah and Ramsey.

USC and United are both subsidiaries of Suez Environment North America Inc. USC 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. USC offered the lowest bid for the work at the Alpine Timberline Tank. When bids were solicited, only one of the four pre-qualified painting contractors, USC, was an affiliate of the Company. All four contractors were given equal access to the site and all contract materials prior to the receipt of bids. Independent bids were received for Timberline Tank in Alpine and for Backwash Water Tank No. 1 and Backwash Water Tank No.2, both located at the Haworth Water Treatment Plant. United has tentatively awarded the work to USC pending approval of the affiliate contract by the Board.

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 Utility Service Company, Inc. and **HEREBY AUTHORIZES** Utility Service Company to render services outlined in the Agreement for the Alpine Timberline Tank.

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



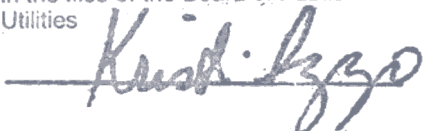
ELIZABETH RANDALL
COMMISSIONER

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 UTILITY SERVICES CO., INC.

DOCKET NO. WO10060409

SERVICE LIST

Kristi Izzo, Secretary
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102

Christine M. Juarez, Esq.
Division of Rate Counsel
31 Clinton Street, 11th Floor
P.O. Box 46005
Newark, NJ 07101

Alex Moreau, Esq.
Department of Law and Public Safety
124 Halsey Street, 5th Floor
Newark, New Jersey 07101

Marco Valdivia, Bureau Chief
Gary Zawodniak
Board of Public Utilities
Division of Water
Two Gateway Center Suite 801
Newark, NJ 07101

Joseph Quirolo, Esq.
Counsel's Office
Board of Public Utilities
Two Gateway Center Suite 801
Newark, NJ 07102