



Agenda Date: 12/17/14  
Agenda Item: 5B

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 9<sup>th</sup> Floor  
Post Office Box 350  
Trenton, New Jersey 08625-0350  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

WATER

IN THE MATTER OF THE PETITION OF UNITED )  
WATER NEW JERSEY, INC. FOR APPROVAL AS )  
NEEDED OF A PLAN TO REPLACE OR MODIFY THE )  
CURRENT METHOD OF TAKING ACTUAL METER )  
READINGS )  
ORDER OF APPROVAL  
DOCKET NO. WM14080834

**Parties of Record:**

**Stephen B. Genzer, Esq.**, Saul Ewing, LLP for Petitioner  
**Stefanie A. Brand, Esq.**, Director, New Jersey Division of Rate Counsel

BY THE BOARD<sup>1</sup>:

On August 1, 2014, United Water New Jersey, Inc. ("UWNJ", "Company" or "Petitioner") filed a proposed plan with the New Jersey Board of Public Utilities ("Board" or "BPU") for an Enhanced Metering Project ("EMP" or "Project"), under which customers' meter readings would continue to be taken by radio frequency ("RF"), but would be gathered through fixed collectors, rather than the mobile data collectors currently placed in Company vehicles.

United Water New Jersey is a regulated public utility corporation involved in providing water service to approximately 200,000 customers located in the northern and western portions of the State of New Jersey. The parties to this proceeding are UWNJ, the Staff of the Board of Public Utilities ("Staff") and the New Jersey Division of Rate Counsel ("Rate Counsel"). However, Rate Counsel did not actively participate in this matter.

**PROCEDURAL HISTORY**

On August 1, 2014, UWNJ filed a Petition with the Board that requested any approvals which may be required under the New Jersey Administrative Code ("N.J.A.C." or "Code") 14:3-7.2(f), which states: "Prior to the implementation of any plan, automated or otherwise, which would replace or modify a utility's current method of taking actual meter readings for any class of customers, said

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<sup>1</sup> Commissioner Upendra J. Chivukula recused himself due to a potential conflict of interest and as such took no part in the discussion or deliberation of this matter.

plan shall be submitted to the Board for approval". The Petitioner has proposed a plan for an EMP under which customers' meter readings would continue to be taken by radio frequency ("RF"), but would be gathered through fixed data collectors, rather than the mobile data collectors currently housed in Company vehicles. Using fixed collectors, meter readings would be taken much more frequently than the current monthly schedule, making more consumption data available to the Petitioner and its customers, increasing meter reading and billing system accuracy, and facilitating conservation, leak detection, and the control of non-revenue/unaccounted for water. The vast majority of the Petitioner's customers (97%) already have RF devices installed on their meters. As a result, the Petitioner maintained that the change in the manner of gathering meter readings would not "replace or modify" its current method of taking actual meter readings as contemplated by N.J.A.C. 14:3-7.2(f). However, in the interests of full disclosure and compliance, the Petitioner sought whatever approvals may be required under that section of the Code. The Petitioner did not seek any approval of the costs of the EMP in this Petition, instead its costs and benefits would be included in a future rate proceeding.

By letter of November, 25, 2014, Rate Counsel indicated it did not object to the Board's approval of UWNJ's Petition, as long as the first two provisions for approval (found below) were incorporated into the Order.

## **DISCUSSION**

The Code requires that any plan that modifies or replaces a utility's current method of taking actual meter readings must be submitted to the Board for approval, and be accompanied by the following information: a justification for the new or modified plan; a list of all associated costs and/or savings; the impact, if any, upon safety; and the potential for diversion of service. Informal Discovery was requested and responded to by UWNJ, which provided the following key information.

The Company expects that the plan will enable it to monitor usage more frequently, allowing for the rapid identification and reduction of customer usage/billing anomalies. UWNJ also foresees that more frequent meter readings will support non-revenue/unaccounted for water reduction efforts, such as near real-time leak detection, theft and tampering reduction, as well as the identification of failed meters. Overall, the plan is expected to provide more accurate billing and revenue information.

The Company provided a breakdown of the expected costs for the Project; however the costs are not before the BPU at this time. The Company anticipates that there will be savings arising from improved efficiencies in data handling, theft reduction, non-revenue/unaccounted for water reduction, and labor; however some savings are not quantifiable at this time. It is expected that upon completion of the Project, the Company will realize approximately \$360,000.00 in annual savings through the reduction in vehicle gas and mileage costs, by the elimination of mobile data collectors housed in Company vehicles.

It is also expected that the Project will provide improved operational efficiencies, such as: reduced employee time and incremental cost of meter reading, fewer miles driven and lower carbon footprint for meter reading, reduced vehicle operating costs and a potential reduction of liability from accidents. Personnel displaced by the EMP will be transferred to other tasks and functions at the Company.

The RF devices are approved and licensed by the Federal Communications Commission, under Title 47: "Telecommunications". The new RF devices use encrypted transmissions and operate on a licensed frequency, creating a more secure system. The Company can even remotely change encryption keys, in order to further protect the system. The devices transmit encoded meter data only which consists of a generic identification number and consumption data, and do not transmit a customer's personally identifiable information. The RF devices handle data only and do not have the capability to modify the operation of the meter, nor shut off water service.

In its November 2014 Edition of "Opflow" the American Water Works Association ("AWWA") reports that the benefits of automatic meter reading and advanced metering infrastructures, such as what is proposed by UWNJ, are proven in the water industry. The benefits include: revenue optimization from increased meter accuracy; improved communication with customers by having more detailed data available to resolve usage or billing issues quickly and with minimum effort; and improved operational efficiency.

The approvals granted, hereinabove, shall be subject to the following provisions:

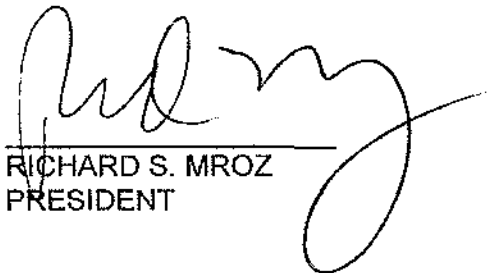
- This Order shall not be construed as directly or indirectly fixing for any purposes, whatsoever, the value of any tangible or intangible assets now owned or hereafter to be owned by the Company.
- This Order shall not effect nor in any way limit the exercise of the authority of this Board or of this State, in any future Petition or in any future proceeding, with respect to rates, franchise, services, financing, accounting, capitalization, depreciation or in any other matters affecting the Company.
- In an appropriate subsequent proceeding, the Company shall have the burden of demonstrating whether, and to what extent, any of the costs associated with this Petition shall be allocated to ratepayers.
- Approval of this Petition does not constitute approval by the Board of any costs or expenses associated with this Petition. Any determination as to the appropriateness or reasonableness of the costs of the Enhanced Metering Program shall be made in an appropriate subsequent proceeding.

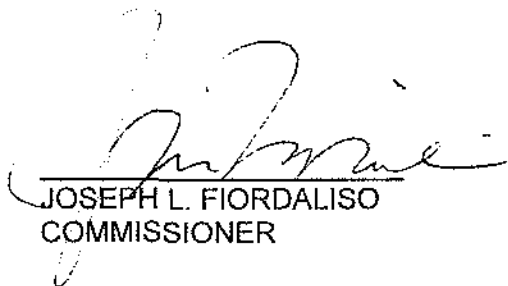
All the required information was provided by the Company. As such, the Board **HEREBY FINDS** that the Petition satisfies the requirements of N.J.A.C. 14:3-7.2(f), and **HEREBY APPROVES** UWNJ's plan for its Enhanced Metering Project as meeting the requirements of the Code.

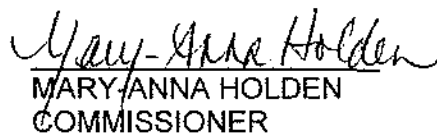
This Order is effective on December 26, 2014.

DATED: 12/17/14

BOARD OF PUBLIC UTILITIES  
BY:

  
RICHARD S. MROZ  
PRESIDENT

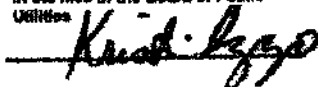
  
JOSEPH L. FIORDALISO  
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MARY-ANNA HOLDEN  
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DIANNE SOLOMON  
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ATTEST:  
  
KRISTI IZZO  
SECRETARY

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



## SERVICE LIST

### **In the Matter of the Petition of United Water New Jersey Inc. for Approval as Needed of a Plan to Replace or Modify the Current Method of Taking Actual Meter Readings BPU Docket No. WM14080834**

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