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April 4, 2011

VIA HAND DELIVERY

Kristi Izzo, Secretary
New Jersey Board of Public Utilities
Two Gateway Center
Suite 801
Newark, NJ 07102

**Re: The Possible Implementation of a Distribution System
Improvement Charge (DSIC) for Water and
Wastewater Utilities – Docket No. WO10090655**

Dear Secretary Izzo:

Enclosed please find the original and ten (10) copies of the Comments of the OIW Customer Coalition in the above referenced matter. We are also e-mailing a copy consistent with the notice in this docket dated March 2, 2011.

Also enclosed is an additional copy of the comments. Please file stamp the additional copy and return it to us in the self-addressed postage prepaid envelope provided.

Sincerely,



Martin C. Rothfelder

MCR/rma

Kristi Izzo, Secretary

April 4, 2011

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cc: Stefanie Brand
Debra Robinson
Susan McClure
Dave Lucas (via e-mail)
Tom Nyquist (via e-mail)
Joe Witkowski(via e-mail)
Robert Roesener (via e-mail)
Paul Franzetti (via e-mail)
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**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES**

THE POSSIBLE IMPLEMENTATION OF A)	
DISTRIBUTION SYSTEM IMPROVEMENT)	DOCKET NO. WO10090655
CHARGE (DSIC) FOR WATER AND)	
WASTEWATER UTILITIES)	

ADDITIONAL COMMENTS OF THE OIW CUSTOMER COALITION

ConocoPhillips Company, Cogen Technologies Linden Venture, L.P., Rutgers, The State University of New Jersey, Princeton University, and Johanna Foods, Inc. (collectively "OIW Customer Coalition")¹ hereby submit joint additional comments in this matter pursuant to the Board's Notice dated March 2, 2011.²

The OIW Customer Coalition continues to focus on the need for a fair rate design for any DSIC charge the Board might implement. In both our prior oral and written comments, we have expressed concern about the unfair, disproportionate impact on large volume users likely to arise if a DSIC charge is applied on an across-the-board basis, such as a percentage of the bill. The Division of Rate Counsel, in its written comments of December 30, 2010, at page 20, paragraph number 5, also expressed the same concern. Rate Counsel suggested that, to avoid this problem, a DSIC charge, if implemented, should be on a per customer basis using a graduated scale of rates similar to the fixed service charges that vary according to meter and/or service line size.

We generally agree with Rate Counsel. The rate design for the DSIC charge should be based on meter or service size. Development of the charge under this approach would involve determining "meter equivalents," which is already well-developed in the water industry and

¹ The OIW Customer Coalition members are among the largest industrial customers of the New Jersey American Water Company ("NJAW"). They receive water supply service under Rate Schedule F, Optional Industrial Wholesale ("OIW") of NJAW's Tariff.

² The OIW Customer Coalition previously submitted written comments on December 29, 2010.

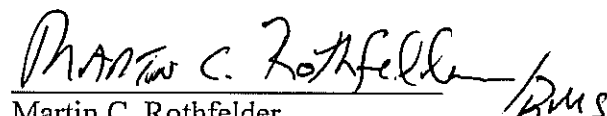
already used for allocating costs to aid in the design of base rates. Likewise, rate meter equivalents would be a reasonable basis for developing a fair DSIC charge, should the Board choose to implement a DSIC.

Other safeguards of ratemaking, such as those that Rate Counsel is pursuing, must also be part of the DSIC, including but not limited to a review of the economics of system improvement options, limitations on the level of costs recovered through the DSIC, prudence review of activities, and verification of expenditures. The OIW Customer Coalition appreciates the efforts of Rate Counsel and others to protect ratepayers, and looks forward to participating in any further proceedings the Board may direct.

Respectfully submitted,

**CONOCOPHILLIPS COMPANY
COGEN TECHNOLOGIES LINDEN VENTURE, L.P.
RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY
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Date: April 4, 2011


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