

**REMARKS OF
KIMBERLY K. HOLMES, ACTING DIRECTOR
DIVISION OF THE RATE COUNSEL
PRESENTED BY DEBRA F. ROBINSON, ESQ.
ASSISTANT DEPUTY PUBLIC ADVOCATE**

**IN THE MATTER OF THE PETITION OF UNITED WATER NEW JERSEY,
UNITED WATER TOMS RIVER, UNITED WATER LAMBERTVILLE,
UNITED WATER MID-ATLANTIC, AND GAZ de FRANCE
FOR APPROVAL AS NEEDED FOR A CHANGE IN
OWNERSHIP AND CONTROL
BPU Docket No. WM06110767**

**PUBLIC HEARING
Hackensack, New Jersey
May 31, 2007
7:30 p.m.**

Good evening, my name is Debra F. Robinson and I am an attorney representing the New Jersey Division of Rate Counsel. The Division of Rate Counsel ("Rate Counsel") represents the interests of all utility customers, including residential, small business, commercial and industrial ratepayers. Rate Counsel is a party in every case where New Jersey utilities seek changes in their rates or services. Rate Counsel also gives customers a voice in setting long-range energy, water and telecommunications policy that will affect utility services well into the twenty-first century.

On November 1, 2006, United Water New Jersey (“UWNJ”), United Water Toms River (“UWTR”), United Water Lambertville (“UWL”), United Water Mid-Atlantic (“UWMA”)(collectively, the “UWR Companies” or the “Petitioners”), all New Jersey public utilities whose direct parent company is United Water Resources Inc. (“UWR”), and Gaz de France (“GdF”), filed a Petition with the New Jersey Board of Public Utilities (the "Board") seeking the Board's approval, to the extent necessary, of the proposed change in ownership and control of GdF with Suez, the ultimate corporate parent of UWR. Suez is an international energy and environmental services corporation organized under the laws of the Republic of France. GdF is an integrated energy utility headquartered in France. Under the proposed transaction, Suez will be merged into GdF, with GdF continuing as the surviving entity. The shareholders of Suez will constitute a majority of the shareholders of GdF, as they will hold approximately 56.7% of the shares of GdF.

The UWR Companies serve approximately 250,000 customers in all or portions of 75 municipalities in New Jersey. As a result of the change in ownership and control, the UWR Companies will become indirect, wholly-owned subsidiaries of GdF. However, the management and operation of the UWR Companies will be unimpaired. This transaction does

not involve any transfer of franchises, assets, or customers. The Petition does not seek any changes in rates charged or services provided by the UWR Companies to customers in New Jersey. The UWR Companies represent that there are no such changes anticipated by the UWR Companies as a result of the change in ownership and control.

The UWR Companies assert that the proposed transaction will have no adverse impact on existing rates, customers, or operations. In fact, the UWR Companies claim customers will benefit from the proposed change in ownership and control because of the extensive expertise that the Suez Group and GdF have in utility operations and management. In addition, the Petitioners' assert that the proposed change in ownership and control will not have a detrimental impact on competition or have an adverse effect on employees, nor result in the relocation or closing of any offices. The Petitioners' claim that following consummation of the proposed transaction, the UWR Companies will continue to provide the same high-quality service to their customers without interruption or any other change in operations.

Our office represents the public in changes of ownership and control 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 transaction will be of a benefit to the ratepayers of the UWR Companies. To that purpose, we have requested and are currently reviewing detailed information from the Petitioners' about the change in ownership and control.

In our investigation of this case, Rate Counsel has focused on whether the proposed change in ownership and control will result in actual benefits to the ratepayers and ultimately, whether the proposed transaction will affect the Petitioners' 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 Board of Public Utilities.

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 Board of Public Utilities makes its decision. Rate Counsel also wants to hear your views. We strongly encourage your participation, which will help us evaluate the Petitioners' proposal and prepare for

hearings.

This hearing is being transcribed and your comments will become part of the record. A hearing Officer from the Board of Public Utilities is here this evening and will instruct you to give your name and address before you speak. I would like to reiterate the importance of this so that there will be a clear record of your concerns and interests.

On behalf of the Division of Rate Counsel, I would like to thank you for attending this public hearing.