



Agenda Date: 07/26/17
Agenda Item: 5A

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

WATER

IN THE MATTER OF THE PETITION OF SUEZ WATER)
NEW JERSEY INC. FOR APPROVAL OF AN) ORDER OF APPROVAL
AFFILIATE CONTRACT TO FACILITATE ELECTRICITY)
EFFICIENCIES) DOCKET NO. WO17050494

Parties of Record:

Bryant Gonzalez, Esq., Corporate Attorney, SUEZ Water New Jersey, Inc.
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

On May 10, 2017, SUEZ Water New Jersey Inc. ("SUEZ," "Petitioner" or "Company") filed a verified petition, pursuant to N.J.S.A. 48:3-7.1, for approval of an intercompany contract. The Petitioner states that the proposed affiliate contract ("affiliate contract" or "Agreement") is in the public interest and will facilitate the Petitioner's ability to provide safe, adequate, and proper utility service at just and reasonable rates.

Petitioner is engaged in the business of collecting, treating and distributing water for retail service to approximately 200,000 customers located in portions of Bergen, Hudson, Passaic, Morris, Hunterdon, and Sussex Counties.

SUEZ Advanced Solutions Inc. ("SUEZ AS") is an affiliate of SUEZ. The American parent company of both SUEZ AS and SUEZ is SUEZ North America Inc. ("SUEZ NA"). SUEZ NA is the direct parent of SUEZ AS. SUEZ is owned by SUEZ Water Resources Inc., which is owned by SUEZ NA.

SUEZ AS has developed a software program called Aquadvanced Energy that it has implemented in several countries. Aquadvanced Energy integrates utility treatment systems, pumps, and distribution systems to facilitate system efficiency and energy savings. Specifically, the program analyzes the use and energy demand of pumps, system supply, needs and delivery logistics, and provides automated decision support to optimize system efficiency.

Aquadvanced Energy integrates with the Company's existing SCADA, GIS, and historical data. Aquadvanced Energy analyzes historical data, continually updating information and predicts future usage in order to optimize the utility's operations. This data is easily used by the utility

operators. The program recalculates a new solution every half hour adapting to changing conditions. Besides the better utilization of facilities and the ability to monitor pump efficiencies, the end result is also a savings in energy costs. That is both a benefit for the utility's customers and for the environment.

By letter dated July 13, 2017, the New Jersey Division of Rate Counsel filed its comments, stating that it has reviewed the filing and is not opposed to the contract's approval, with the condition that Board approval be limited to the affiliate contract and not include any specific cost in rates or any other ratemaking treatment.

Under N.J.S.A. 48:3-7.1, the Board must disapprove the proposed affiliate contract

[I]f 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.

A review of the record indicates that the Agreement involves a fair price based on the information contained in both the filing and discovery. Therefore, in accordance with N.J.S.A. 48:3-7.1, 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.

Therefore, the Board **HEREBY APPROVES** the affiliate contract to facilitate electricity efficiencies between SUEZ and the Aquadvanced Energy software developed by SUEZ AS to render the services outlined in the Agreement.

The approval granted herein shall be subject to the following provisions:

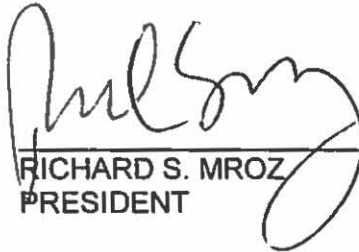
1. This Order shall not affect or in any way limit the exercise of the authority of this Board or of this State, in any future petition or in any proceeding with respect to rates, franchises, service, financing, accounting, capitalization, depreciation, or any other matter affecting the Petitioner.
2. This Order shall not be construed as directly or indirectly fixing for any purpose whatsoever any value of the tangible or intangible assets now owned or hereafter to be owned by the Petitioner.
3. Approval of this petition does not constitute approval by the Board of any costs or expenses associated with this Project or this petition. In an appropriate subsequent proceeding, the Petitioner shall have the burden of demonstrating whether, and to what extent, any of the costs associated with this petition shall be allocated to ratepayers.
4. The Board reserves the right to conduct future reviews of the Agreement to evaluate whether the Agreement remains reasonable.
5. SUEZ will notify the Board if the Agreement is altered or terminated.

6. The Petitioner shall submit to the Board fully executed copies of the Agreement within twenty (20) days after the effective date of this Order.

This Order is effective on August 5, 2017.

DATED: 7/26/17

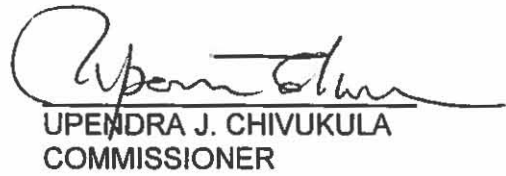
BOARD OF PUBLIC UTILITIES
BY:


RICHARD S. MROZ
PRESIDENT


JOSEPH L. FIORDALISO
COMMISSIONER


MARY-ANNA HOLDEN
COMMISSIONER

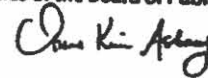

DIANNE SOLOMON
COMMISSIONER


UPENDRA J. CHIVUKULA
COMMISSIONER

ATTEST:


IRENE KIM ASHBURY
SECRETARY

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



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APPROVAL OF AN AFFILIATE CONTRACT TO FACILITATE ELECTRICITY EFFICIENCIES.
DOCKET NO. WO17050494**

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