



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 1st Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

WATER

IN THE MATTER OF THE PROPOSED AMENDMENT)
TO N.J.A.C. 14:9 ADOPTION BY REFERENCE OF THE)
UNIFORM SYSTEM OF ACCOUNTS FOR WATER)
UTILITIES)

ORDER

IN THE MATTER OF THE PROPOSED AMENDMENT)
TO N.J.A.C. 14:9 ADOPTION BY REFERENCE OF THE)
UNIFORM SYSTEM OF ACCOUNTS FOR)
WASTEWATER UTILITIES)

DOCKET NOS. WX19050612
and WX19050613

Parties of Record:

Courtney L. Schultz, Esq., Saul Ewing Arnstein & Lehr, LLP, on behalf of Atlantic City Sewerage Company

James C. Cagle, Vice President, Rates and Regulatory Affairs, SUEZ Water New Jersey, on behalf of SUEZ Water New Jersey

Brain O. Lipman, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

BACKGROUND/PROCEDURAL HISTORY

The New Jersey Board of Public Utilities' ("Board") current Uniform System of Accounts ("USOA") for wastewater (sewer) utilities was adopted by the Board, effective April 1, 1957, in I/M/O the Adoption by the Board of a Uniform System of Accounts for Sewerage Utilities, in Docket No. 9312 (Order dated February 6, 1957).

The Board's current USOA for water utilities was adopted by the Board, effective January 1, 1960, in I/M/O the Adoption by the Board of a Uniform System of Accounts for Water Utilities – Class A and B, Class C and D in Docket No 9326 (Order dated September 30, 1959).

The Board adopted final rules adopting updated USOA for both water utilities (N.J.A.C. 14:9-12) and wastewater utilities (N.J.A.C. 14:9-13) in the January 19, 2021 New Jersey Register. See 53 N.J.R. 125(a). The new USOA become effective on January 1, 2022. The updated USOA incorporated by reference the 1996 National Association of Regulatory Commissioners ("NARUC") USOA for water and wastewater utilities.

SUEZ Water New Jersey

By letter dated November 4, 2021, SUEZ Water New Jersey (“SUEZ NJ”), a public utility corporation of the State of New Jersey, engaged in the business of operating a water and wastewater collection, treatment, transmission and distribution system, requested a one-year extension of the January 1, 2022 effective date for the implementation of the NARUC USOA for water and wastewater utilities as required by the adoption of the updated USOA for water utilities and wastewater utilities.

SUEZ NJ stated that it has begun the process of implementing the NARUC USOA. SUEZ NJ further stated that its accounting system is also used by its affiliated companies, including SUEZ Water Idaho and SUEZ Water Pennsylvania, both of which are currently utilizing the NARUC USOA. SUEZ NJ further stated that its accounting system utilizes a system of both natural accounts and other coding to map transactions into USOA accounts thereby providing the information in the appropriate form for both regulatory reporting and regulatory filings. Finally, SUEZ NJ maintained that while it had extensive experience with this process, due to the size of SUEZ NJ in comparison to its smaller affiliated companies, it found that substantial additional mapping must be undertaken due to both the volume and type of transactions. Each type of transaction must be addressed one-by-one and then verified. Due to the volume of transaction types that must be mapped and verified, SUEZ NJ stated that it believed it was important to minimize potential issues that could arise if this implementation and verification process was rushed. SUEZ NJ therefore requested that the effective date for it to implement the NARUC USOA be extended until January 1, 2023.

Atlantic City Sewage Company

By letter dated November 8, 2021, the Atlantic City Sewerage Company (“ACSC”), a public utility corporation of the State of New Jersey, engaged in the business of operating a wastewater collection and transmission system, requested a one-year extension of the January 1, 2022 effective date for the implementation of the 1996 NARUC USOA for water and wastewater Utilities as required by the Board’s adoption of updated USOAs for Water Utilities (N.J.A.C. 14:9-12) and Wastewater Utilities (N.J.A.C. 14:9-13) as set forth in the January 19, 2021 New Jersey Register. See 53 N.J.R. 125(a).

ACSC stated that it has undertaken efforts to implement the necessary changes to migrate its account and accounting systems into the NARUC USOA. ACSC further stated that this process involved placing new costs into the new accounts, transferring existing account balances into new accounts and will require a thorough analysis to ensure appropriate mapping of those accounts to the appropriate new account, as well as information technology work on the back end to make sure that the different accounting systems can all speak to one another using the new account codes. ACSC further stated that it will likely have to change its entire account number convention to accommodate the new USOA. ACSC also noted that it was a small company, with limited resources, and that it does not have the manpower or capacity to implement the NARUC USOA with systems in place to be up and running on January 1, 2022. ACSC stated that based on its preliminary analysis, it may need to retain the services of an outside consultant to assist with the conversion process because it was important to make sure that the accounts are properly set up and that existing balances are migrated appropriately. Finally, ACSC maintained that it wants to ensure that the process of converting to the NARUC USOA is done right. Based on the foregoing, ACSC requested that that the deadline for implementing the NARUC USOA be extended by one year until January 1, 2023.

New Jersey Division of Rate Counsel

By letters dated November 18, 2021 and November 30, 2021, The New Jersey Division of Rate Counsel (“Rate Counsel”) noted that both ACSC and SUEZ NJ requests for a waiver of the effective date of the NARUC USOA were necessitated by the volume of transaction types that must be mapped and the individual verification process that must be undertaken by both ACSC and SUEZ NJ. Rate Counsel also noted the importance for the accounts to be set up properly and that existing balances be migrated appropriately. Rate Counsel stated that it does not oppose ACSC’s and SUEZ NJ’s requests for a one (1) year waiver of the operationally effective date of the NARUC USOA.

DISCUSSION AND FINDINGS

The Board is authorized to relax or waive its rules pursuant to N.J.A.C. 14:1-1.2, which provides that the rules may be liberally construed to permit the Board to carry out its statutory functions. In considering whether to grant a request for a waiver, the Board looks to the standards provided in this rule. In special cases, upon a showing of good cause, the Board may relax or permit deviations from the rule. N.J.A.C. 14:1-1.2(b). Additionally, the Board shall waive sections of the rule if it adversely affects ratepayers, hinders safe, adequate and proper service, or is in the interest of the general public. N.J.A.C. 14:1-1.2(b)(1).

SUEZ NJ and ACSC both described the process that each company must undertake in order to convert their current accounting systems to the NARUC USOA. Both companies need to place newly incurred costs into the new accounts, transferring existing accounts into the new accounts and conduct a thorough analysis to ensure appropriate mapping of those accounts to the appropriate new account in the NARUC USOA.

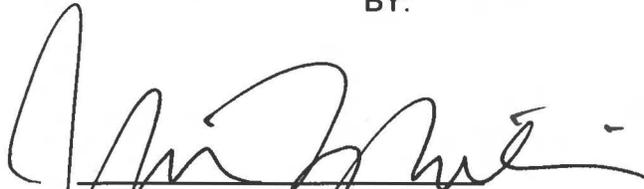
The Board **NOTES** that the existing wastewater USOA became effective in 1957 and the existing water USOA became effective in 1960. The Board also **NOTES** that Rate Counsel does not object to the requested waivers.

Based on the foregoing, the Board **FINDS** that good cause exists to grant the requested waivers. The Board therefore **HEREBY EXTENDS** the effective date that ACSC and SUEZ NJ must implement the NARUC USOA from January 1, 2022 until January 1, 2023.

The Order shall be effective on December 22, 2021.

DATED: December 15, 2021

BOARD OF PUBLIC UTILITIES
BY:



JOSEPH L. FIORDALISO
PRESIDENT



MARY-ANNA HOLDEN
COMMISSIONER



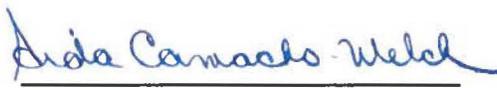
DIANNE SOLOMON
COMMISSIONER



UPENDRA J. CHIVUKULA
COMMISSIONER



ROBERT M. GORDON
COMMISSIONER

ATTEST: 
AIDA CAMACHO-WELCH
SECRETARY

IN THE MATTER OF THE PROPOSED AMENDMENT TO N.J.A.C. 14:9 ADOPTION BY
REFERENCE OF THE UNIFORM SYSTEM OF ACCOUNTS FOR WATER UTILITIES

IN THE MATTER OF THE PROPOSED AMENDMENT TO N.J.A.C. 14:9 ADOPTION BY
REFERENCE OF THE UNIFORM SYSTEM OF ACCOUNTS FOR WASTEWATER UTILITIES

DOCKET NOS. WX19050612 AND WX19050613

SERVICE LIST

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