



On October 5, 2007, the Board transmitted the matter to the Office of Administrative Law as a contested case where the matter was assigned to the Honorable Walter M. Braswell, Administrative Law Judge ("ALJ").

On December 5, 2007, a telephone pre-hearing conference was held in which counsel for the Company and the statutory parties to the case, the Department of the Public Advocate, Division of Rate Counsel (DPA or Rate Counsel) and Board Staff (Staff) participated (the Parties). There were no Intervenor in this matter. ALJ Braswell scheduled the date for a public hearing, and dates for evidentiary hearings.

On January 28, 2008, a public hearing was held at the Manalapan Township Municipal Building in Manalapan, New Jersey. No members of the public appeared and no comments were provided by the public for the record.

The Parties exchanged extensive discovery throughout this proceeding. Subsequent to the public hearing and prior to the scheduled evidentiary hearings, the Parties held settlement conferences on February 27, 2008, and on March 10, 2008. As a result of these settlement conferences, the Parties reached a settlement on all issues and entered into a Stipulation of Settlement (Stipulation or Settlement).

On April 11, 2008, ALJ Braswell issued his Initial Decision recommending adoption of the Stipulation executed by the Parties, finding that the Parties had voluntarily agreed to the Settlement and that the Settlement fully disposes of all issues and was consistent with the law.

## STIPULATION

As more fully set forth in the attached Stipulation,<sup>1</sup> the Parties agree to the following:

1. The test year ended December 31, 2007, adjusted for known and measurable changes, is a reasonable and proper test year period. (Settlement Paragraph 2).
2. Petitioner's rate base is \$9,802,087 and that a fair overall rate of return is 9.10%, which reflects a cost rate for common equity of 10.00%. (Settlement Paragraph 3).
3. As reflected in Schedule A of the Stipulation, Petitioner's required operating income is \$891,703, and its total revenues are stipulated at \$9,619,803. Petitioner's pro forma present rate revenues are \$8,916,845, which when subtracted from the total revenue requirement, necessitates a revenue increase of \$702,958, representing an overall percentage increase of 7.88% over pro forma present rate revenues. (Settlement Paragraph 4).
4. The revenue requirement, to which the Parties have stipulated, herein, is necessary to ensure that Petitioner will continue to provide safe, adequate and proper water service to its customers. (Settlement Paragraph 5).

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<sup>1</sup> Cited paragraphs referenced are in the settlement documents. This is only a summary; the full Settlement documents controls, subject to the Board's findings and conclusions contained herein.

5. Attached to the Stipulation as Schedule B are new tariff sheets containing rates and charges conforming to the Stipulation and designed to produce the additional annual revenues to which the Parties have stipulated herein. (Settlement Paragraph 6).
6. Attached to the Stipulation as Schedule C is a schedule demonstrating that the new rates will produce the revenues to which the parties have stipulated to herein. The stipulated increase in the fixed service and volumetric service charges for the General Metered Service class of customers is shown in Schedule C. (Settlement Paragraph 7).
7. Petitioner will file a new tariff with the Board, with copies to the Parties, in conformity with this Stipulation, to become effective on such date as the Board may direct. (Settlement Paragraph 8).
8. For purposes of any Purchased Water Adjustment Clause (PWAC) filings to be made by Petitioner in the future, it is stipulated as follows: (a) this matter resulted in the establishment of base rates in a base rate proceeding within the meaning of the applicable PWAC regulations, N.J.A.C. 14:9-7 et seq., (b) the purchased water expense level in this case is set at \$3,421,154, which is based on Petitioner paying the following rates per thousand gallons (tg) of water, to its suppliers: \$2.55 per tg. to United Water/Matchaponix Water Company, \$3.384 per tg. to the Marlboro Township Municipal Utilities Authority, and \$1.30 per tg. to Aberdeen Township; and (c) the total volume of purchased water used in establishing Petitioner's base costs is 1,227,530 million gallons. Attached hereto and made part hereof as Schedule D, is a schedule showing the derivation of the foregoing purchased water volumes and costs. (Settlement Paragraph 9).
9. A Water Conservation and Reuse Study (Study) was submitted by Petitioner as required by the Board's Order in its last base rate case in Docket No. WR03090714 and dated May 27, 2004. Based on the review of the Study, the Signatory Parties found the Study acceptable and recommend that it be approved by the Board. (Settlement Paragraph 10).

### DISCUSSIONS AND FINDINGS

As a result of the Stipulation, the average bill for a single family residential customer with a 5/8" meter using 108,000 gallons of water per year will increase from the current rate of \$524.88 to \$567.39, an increase of \$42.51 per year, or \$10.62 per quarter.

Having reviewed ALJ Braswell's Initial Decision and the Stipulation of Settlement among the Parties to this proceeding, the Board FINDS that the Parties have voluntarily agreed to the Stipulation and that the Stipulation fully disposes of all issues in this proceeding and is consistent with the law. The Board FINDS the Initial Decision which adopts the Stipulation of Settlement to be reasonable and in the public interest.

The Board HEREBY ADOPTS the ALJ's Initial Decision and the Stipulation of Settlement attached hereto, as its own, incorporating by reference the terms and conditions as if fully set forth herein, subject to the following:

- a) The test year shall be the period ended December 31, 2007, adjusted for known and measurable changes.
- b) The rate base shall be set at \$9,802,087 and that a fair overall rate of return shall be 9.10%, which shall reflect a cost rate for common equity of 10.00%.
- c) Petitioner's required operating income shall be \$891,703, and its total revenues shall be \$9,619,803. Petitioner's pro forma present rate revenues shall be \$8,916,845, which when subtracted from the total revenue requirement, shall be a revenue increase of \$702,958, representing an overall percentage increase of 7.88% over pro forma present rate revenues.
- d) This revenue requirement shall be necessary to ensure that Petitioner shall continue to provide safe, adequate and proper water service to its customers.
- e) The attached tariff sheets containing rates and charges conforming to the Stipulation and designed to produce the additional annual revenues to which the Parties have stipulated herein are HEREBY ACCEPTED.

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- f) The Stipulated increase and the tariff design allocations for each customer classification are HEREBY ACCEPTED.
- g) Petitioner shall file a new tariff with the Board, with copies to the Parties, in conformity with this Stipulation.
- h) This matter shall result in the establishment of base rates in a base rate proceeding within the meaning of the applicable PWAC regulations, N.J.A.C. 14:9-7 et seq., (b) the purchased water expense level in this case shall be set at \$3,421,154, which is based on Petitioner paying the following rates per thousand gallons (tg) of water, to its suppliers: \$2.55 per tg. to United Water/Matchaponix Water Company, \$3.384 per tg. to the Marlboro Township Municipal Utilities Authority, and \$1.30 per tg. to Aberdeen Township; and (c) the total volume of purchased water used in establishing Petitioner's base costs shall be set at 1,227,530 million gallons.
- i) The Water Conservation and Reuse Study (Study) submitted by Petitioner as required by an Order of the Board under Docket No. WR03090714 and dated May 27, 2004, is HEREBY ACCEPTED.

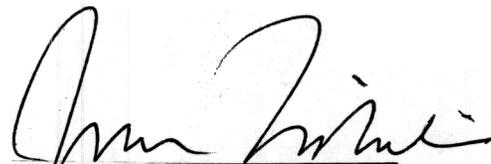
The Board HEREBY DIRECTS the Company to submit a complete revised tariff conforming to the terms and conditions of the stipulation and this Order within ten (10) days from the effective date of this Order.

DATED: 5/9/08

BOARD OF PUBLIC UTILITIES  
BY:

  
JEANNE M. FOX  
PRESIDENT

  
FREDERICK F. BUTLER  
COMMISSIONER

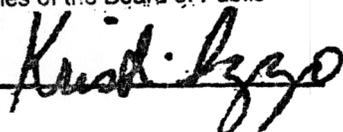
  
JOSEPH L. FIORDALISO  
COMMISSIONER

  
CHRISTINE V. BATOR  
COMMISSIONER

  
NICHOLAS ASSELTA  
COMMISSIONER

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



I/M/O THE PETITION OF GORDON'S CORNER WATER COMPANY  
FOR AN INCREASE IN RATES  
AND CHARGES FOR WATER SERVICE

BPU DOCKET NO. WR07090707  
OAL DOCKET NO. PUC11130-2007N

Service List

Douglas R. Kleinfeld, Esq.  
Kleinfeld & Kleinfeld  
219 South Street  
New Providence, NJ 07974

Stefanie Brand, Director  
Paul Flanagan, Esq.  
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Division of Rate Counsel  
31 Clinton Street, 11<sup>th</sup> Floor  
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Newark, NJ 07101

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James McGuire, DAG  
Arlene Pasko, DAG  
Cynthia L. Miller, DAG  
Department of Law and Public Safety  
Division of Law  
124 Halsey Street, 5<sup>th</sup> Fl.  
Newark, NJ 07102

David Ern, President  
Gordon's Corner Water Company  
P.O. Box 145  
Marlboro, NJ 07746



State of New Jersey  
OFFICE OF ADMINISTRATIVE LAW

CMS  
BESLOW  
RPA  
MILLER, C  
MCGUIRE, J  
QUIROLO, J

INITIAL DECISION

SETTLEMENT

OAL DKT. NO. PUC11130-07

AGENCY DKT. NO. WR07090707

IN THE MATTER OF GORDON'S CORNER  
WATER COMPANY FOR AN INCREASE IN  
RATES AND CHARGES FOR WATER  
SERVICE,

RECEIVED  
MAIL ROOM  
08 APR 15 PM 1:43  
BOARD OF PUBLIC UTILITIES  
NEWARK, N.J.

Douglas R. Kleinfeld, Esq., for petitioner (Kleinfeld & Kleinfeld)

Deborah Robinson, Assistant Deputy Ratepayer Advocate (Kimberly Holmes,  
Ratepayer Advocate)

Arlene Pasko, Deputy Attorney General, for respondent (Anne Milgram,  
Attorney General of New Jersey, Attorney)

Record Closed: April 11, 2008

Decided: April 11, 2008

BEFORE WALTER M. BRASWELL, ALJ:

On October 12, 2007, this matter was transmitted to the Office of Administrative Law (OAL) for hearing as a contested case pursuant to N.J.S.A. 52:14B-1 to-15 and N.J.S.A. 52:14F 1 to- 13. The matter was scheduled for a prehearing conference on December 5, 2007 at which time a public hearing was for scheduled for January 28, 2008 and an evidentiary hearing was scheduled for May 19 and 21, 2008. However, prior to the dates of the hearing the parties reached a settlement. A Stipulation indicating the terms of settlement was signed by all parties and submitted, via facsimile, to the OAL on

April 7, 2008 and the original was received on April 11, 2008. A copy of the Stipulation is attached and made part hereof.

I have reviewed the record and terms of the Stipulation of Settlement and **FIND**:

1. The parties have voluntarily agreed to the settlement as evidenced by the signatures of the parties or their representatives.
2. The settlement fully disposes of all issues in controversy and is consistent with law.

I **CONCLUDE** that the agreement meets the requirements of N.J.A.C. 1:1-19.1 and therefore, it is **ORDERED** that the parties comply with the settlement terms and that these proceedings be and are hereby concluded.

I hereby **FILE** my initial decision with the **BOARD OF PUBLIC UTILITIES** for consideration.

This recommended decision may be adopted, modified or rejected by the **BOARD OF PUBLIC UTILITIES**, which by law is authorized to make a final decision in this matter. If the Board of Public Utilities does not adopt, modify or reject this decision within forty-five (45) days and unless such time limit is otherwise extended, this recommended decision shall become a final decision in accordance with N.J.S.A. 52:14B-10.

April 11, 2008  
DATE

Walter M. Braswell  
WALTER M. BRASWELL, ALJ

Date Received at Agency: 4/16/08

Floyd Jangle  
Mailed to Parties:

\_\_\_\_\_  
DATE  
ljb

\_\_\_\_\_  
OFFICE OF ADMINISTRATIVE LAW

KLEINFELD & KLEINFELD

*Counsellors at Law*

219 SOUTH STREET

NEW PROVIDENCE, NEW JERSEY 07974

(908) 508-0800

TELEFAX (908) 508-0555

2008 11 A  
OFFICE OF PUBLIC UTILITIES

April 7, 2008

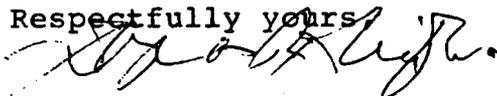
Hon. Walter M. Braswell  
33 Washington Street  
Newark, NJ 07102

**Re: I/M/O the Petition of Gordon's Corner Water Company  
an Increase in Rates and Charges for Water Service  
BPU Docket No. WR07090707  
OAL Docket No. PUC 11130-2007N**

Dear Judge Braswell:

Enclosed please find fully executed Stipulation and supporting schedules in the above matter. If you find it satisfactory, please issue an Initial Decision at your earliest convenience. Thank you for your attention to this matter.

Respectfully yours

  
Douglas R. Kleinfeld

DRK/jt  
enc.

cc: Debra F. Robinson, Esq.  
Arlene E. Pasko, DAG  
Dante Mugrace  
David Ern

STATE OF NEW JERSEY  
BOARD OF PUBLIC UTILITIES

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IN THE MATTER OF THE PETITION OF : BPU Docket No. WR07090707  
GORDON'S CORNER WATER COMPANY :  
FOR AN INCREASE IN RATES AND : OAL Docket No. PUC11130-  
CHARGES FOR WATER SERVICE : 2007N  
: STIPULATION

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PARTIES TO THE WITHIN STIPULATION AND APPEARANCES

Douglas R. Kleinfeld, Esq. (Kleinfeld & Kleinfeld, Esqs.),  
Attorneys for Petitioner, Gordon's Corner Water Company;

Debra F. Robinson, Esq., Deputy Public Advocate for Division of  
Rate Counsel (Stefanie A. Brand, Esq., Director, Division of  
Rate Counsel);

Arlene E. Pasko, Deputy Attorney General, for the Staff of the  
Board of Public Utilities (Anne Milgram, Attorney General of  
New Jersey).

I. PROCEDURAL HISTORY

1) Petitioner, Gordon's Corner Water Company (hereinafter referred to as "Petitioner" or "Company" , is a public utility of the State of New Jersey, subject to the jurisdiction of the Board of Public Utilities "Board"), and franchised to provide water service in the Townships of Manalapan and Marlboro, Monmouth County, New Jersey.

(2) On September 26, 2007, Petitioner filed a Petition with the Board, pursuant to N.J.S.A. 48:2-21 and N.J.A.C. 14:1-5.12, to increase its rates and charges for water service and to establish the required base data for a purchased water adjustment clause. Petitioner originally requested increased revenues of \$961,463, representing an increase of 10.91% over pro forma, present rate revenues. The Company subsequently submitted updated schedules, based on year end 2007 actual results, revising its revenue

requirement request to \$956,898, an increase of approximately 10.73% over pro forma, present rate revenues

On October 25, 2007, the Board issued a Suspension Order suspending increases, changes or alterations in rates for service until February 29, 2008. On October 5, 2007, the Board transmitted the matter to the Office of Administrative Law as a contested case where the matter was assigned to the Honorable Walter M. Brasweel, Administrative Law Judge "ALJ")

A telephonic pre-hearing conference was held before ALJ Braswell on December 5, 2007, at which time dates for a public hearing in Petitioner's service area and evidentiary hearings were scheduled. A public hearing was held on January 28, 2008 at the Manalapan Township Municipal Building in Manalapan, New Jersey following publication of an appropriate public notice. No members of the public appeared to provide comments on that occasion.

In the course of this proceeding, Petitioner was served with, and responded to, extensive discovery requests by the Division of Rate Counsel "Rate Counsel") and by Staff of the Board of Public Utilities ("Board Staff" Discovery and settlement conferences were held on February 27, 2008 and March 10, 2008. The Petitioner, Rate Counsel, and Board Staff (the "parties") also conferred by telephone on a number of occasions to discuss the matter.

## II. STIPULATED MATTERS

As a result of an analysis of the Petition and Exhibits, Petitioner's responses to discovery propounded by the Division of Rate Counsel and Board Staff, as well as their discussions and

negotiations in this matter, the signatory parties have reached a Stipulation and do hereby stipulate the following:

(2) The year ended December 31, 2007, adjusted for known and measurable changes, is a reasonable and proper test period.

(3) It is stipulated and agreed that Petitioner's rate base is \$9,802,087, and that a fair overall rate of return thereon is 9.10%, which reflects a cost rate for common equity of 10%

(4) As reflected in Schedule A annexed hereto and made part hereof, Petitioner's required operating income is \$891,703, and its total revenues are stipulated at \$9,619,803. Petitioner's pro forma present rate revenues are \$8,916,845 which, when subtracted from the total revenue requirement, necessitates a revenue increase of \$702,958, representing an overall percentage increase of 7.88% over pro forma present rate revenues

5 The revenue requirement to which the parties have stipulated, herein, is necessary to ensure that Petitioner will continue to provide safe, adequate and proper water service to its customers.

(6) Attached hereto as Schedule B are new tariff sheets containing rates and charges conforming to this Stipulation and designed to produce the additional annual revenues to which the parties have stipulated herein.

(7) Attached hereto as Schedule C is a schedule demonstrating that the new rates will produce the revenues to which the parties have stipulated herein. The stipulated increase in the fixed

service and volumetric service charges for the General Metered Service class of customers is shown in Schedule C.

(8) Petitioner will file a new tariff with the Board, with copies to the parties, in conformity with this Stipulation, to become effective on such date as the Board may direct.

(9 For purposes of any Purchased Water Adjustment Clause (PWAC) filings to be made by Petitioner in the future, it is stipulated as follows: (a this matter resulted in the establishment of base rates in a base rate proceeding within the meaning of the applicable PWAC regulations, N.J.A.C. 14:9-7 et seq.; (b) the purchased water expense level in this case is \$3,421,154, which is based on Petitioner paying the following rates, ~~per thousand gallons of water, to its suppliers~~: \$2.55 to United Water/Matchaponix Water Company, \$3.384 to the Marlboro Township Municipal Utilities Authority, and \$1.30 to Aberdeen; and (c) the total volume of purchased water used in establishing Petitioner's base costs is set at 1,227,530 million gallons Attached hereto and made part hereof as Schedule D is a schedule showing the derivation of the foregoing purchased water volumes and costs.

10 A Water Conservation and Reuse Study "Study" was submitted by Petitioner as required by the Board's Order in its last base rate case in Docket NO. WR03090714 and dated May 27, 2004.

### III. MISCELLANEOUS

(1) This Stipulation applies only to this proceeding and is thus executed by the parties without prejudice to the positions asserted by each in this case and without prejudice to the positions which the parties may choose to assert in future proceedings. The parties further agree that the purpose of this Stipulation is to reach fair and reasonable rates and to conclude pending litigation. This Stipulation is not in any way intended to restrict or bind any of the parties hereto with respect to substantive positions they may choose to assert in any pending or future rate proceeding in this or any other forum. Therefore, the parties acknowledge that the Stipulation herein has been made exclusively for this proceeding before the OAL and Board.

(2) In the event of any modification, amendment or alteration of this Stipulation by the Board, the parties individually reserve the right to either deem the Stipulation void in toto (in which case the parties would revert to the status quo prior to the execution of this Stipulation, which in this matter would be submission of testimony and proceeding with evidentiary hearings) or to consent to the modification(s) in writing.

(3) This Stipulation may be executed in as many counterparts as there are signatories to this Stipulation, each of which counterparts shall be an original, but all of which shall constitute one and the same instrument consisting of several counterparts.

WHEREFORE, the parties hereto do respectfully submit this Stipulation and request that the Board issue a Decision and Order approving it in its entirety, in accordance with the Terms hereof, as soon as reasonably possible.

Dated:

3-31-08

GORDON'S CORNER WATER COMPANY

  
\_\_\_\_\_  
Douglas R. Kleinfeld, Esq.  
KLEINFELD & KLEINFELD, ESQS.

Dated:

DIVISION OF RATE COUNSEL  
Stefanie A. Brand, Esq., Director

\_\_\_\_\_  
Debra F. Robinson, Esq.  
Deputy Public Advocate

Dated:

4/4/08

Anne Milgram  
ATTORNEY GENERAL OF NEW JERSEY  
Attorney for Staff of the Board  
of Public Utilities

  
\_\_\_\_\_  
Arlene E. Pasko  
Deputy Attorney General

WHEREFORE, the parties hereto do respectfully submit this Stipulation and request that the Board issue a Decision and Order approving it in its entirety, in accordance with the Terms hereof, as soon as reasonably possible.

Dated:

3-31-08

GORDON'S CORNER WATER COMPANY

By:

  
Douglas R. Kleinfeld, Esq.  
KLEINFELD & KLEINFELD, ESQS.

Dated:

April 7, 2008

DIVISION OF RATE COUNSEL  
Stefanie A. Brand, Esq., Director

By:

  
Debra F. Robinson, Esq.  
Deputy Public Advocate

Dated:

Anne Milgram  
ATTORNEY GENERAL OF NEW JERSEY  
Attorney for Staff of the Board  
of Public Utilities

By:

\_\_\_\_\_  
Arlene E. Pasko  
Deputy Attorney General

**SCHEDULE A**

**GORDON'S CORNER WATER COMPANY**

**REVENUE REQUIREMENT SUMMARY**

RATE BASE @ 12/31/07	\$9,802,087
RATE OF RETURN	9.10%
OPERATING INCOME REQUIRED	891,703
OPERATING INCOME AT PRESENT RATES	493,771
OPERATING INCOME DEFICIENCY	397,932
REVENUE MULTIPLIER	1.7665
REQUIRED REVENUE INCREASE	\$702,958
REVENUE AT PRESENT RATES	8,916,845
REVENUE AT STIPULATED RATES	<u>\$9,619,803</u>
REVENUE INCREASE	7.88%

RATE SCHEDULES

NO. 1: GENERAL METERED SERVICE

APPLICABILITY:

Applicable to the use of water supplied through meters in the territory served by the Company in Marlboro Township and Manalapan Township.

RATE:

QUARTERLY SERVICE CHARGES

<u>SIZE OF METER</u>	<u>RATE</u>
5/8"	\$ 27.53
3/4"	41.29
1"	68.81
1-1/2"	137.63
2"	220.19
4"	688.09
6"	1,376.21
8"	2,201.92

VOLUME CHARGE

USAGE RATE PER 1,000 GALLONS      \$ 4.244

TERMS OF PAYMENT:

Payment is due 15 days from the date of the postmark for valid bills mailed to customers. Bills for metered water service are rendered quarterly. Whenever service to a customer is established or terminated during a billing period the fixed service charge will be prorated on a daily basis to the date when service is established or discontinued to such customer.

The state of New Jersey enacted Ch. 443 of the Laws of New Jersey 1983 concerning the periodic testing of public water supplies which established a water tax of \$0.01 per 1,000 gallons of water. This tax is reflected and included in the above rates. Filed pursuant to decision of the Board of Public Utilities, Docket No.818-711, dated 2/9/82.

ISSUED:

BY: GARY R. ERN, PRESIDENT  
 GORDON'S CORNER WATER COMPANY  
 P.O. BOX 145  
 MARLBORO, NJ 07746-0145

EFFECTIVE:

FILED PURSUANT TO ORDER OF THE  
 BOARD OF PUBLIC UTILITIES IN  
 DOCKET NO.

RATE SCHEDULES

NO. 1A: GENERAL METERED SERVICE

PURCHASED WATER ADJUSTMENT (PWAC) CHARGE

A charge of \$ 0.00 per thousand gallons for all water sales will be made to recover increases in the purchased water costs not included in the Consumption Charge.

ISSUED:

BY: GARY R. ERN, PRESIDENT  
GORDON'S CORNER WATER COMPANY  
P.O. BOX 145  
MARLBORO, NJ 07746-0145

EFFECTIVE:

FILED PURSUANT TO ORDER OF THE  
BOARD OF PUBLIC UTILITIES IN  
DOCKET NO.

RATE SCHEDULES

NO. 2: PUBLIC FIRE PROTECTION SERVICE

APPLICABILITY:

To municipalities throughout entire territory for public fire protection.

CHARACTER OF SERVICE:

The installation and maintenance of fire hydrants and the supplying of water through such hydrants is for the sole use of authorized firefighting personnel for the control and extinguishment of any fire. The Company will use due diligence at all times to provide continuous service of the character of quality proposed to be supplied but in case the service shall be interrupted or irregular or defective or fail the Company shall be liable and obligated only to use reasonable diligent efforts in the light of the circumstances then existing to restore service or to correct its characteristics.

RATE:

ANNUAL SERVICE CHARGES

	<u>RATE</u>
Inch-Foot charge	\$ 0.04007
Hydrant charge	\$ 68.76

The amount of the bill will be the total of the inch foot charge and the hydrant charge and will be billed quarterly.

TERMS OF PAYMENT:

All valid charges for services are due fifteen (15) days from the postmark on the envelope in which the bill is transmitted.

ISSUED:

BY: GARY R. ERN, PRESIDENT  
GORDON'S CORNER WATER COMPANY  
P.O. BOX 145  
MARLBORO, NJ 07746-0145

EFFECTIVE:

FILED PURSUANT TO ORDER OF THE  
BOARD OF PUBLIC UTILITIES IN  
DOCKET NO.

RATE SCHEDULES

NO. 3: PRIVATE FIRE PROTECTION SERVICE

APPLICABILITY:

Applicable to customers throughout entire territory for private fire protection.

CHARACTER OF SERVICE:

The Company will use due diligence at all times to provide continuous service of the character or quality proposed to be supplied, but in case the service shall be interrupted or irregular or defective or fail the Company shall be liable and obligated only to use reasonable diligent efforts in the light of the circumstances then existing to restore service or to correct its characteristics.

RATE:

ANNUAL CONNECTION CHARGE	<u>RATE</u>
2" CONNECTION	\$ 62.56
4" CONNECTION	311.48
6" CONNECTION	622.96
8" CONNECTION	997.08

TERMS OF PAYMENT:

All valid charges for private fire protection service furnished under this schedule are to be rendered monthly or quarterly, at the customer's option, and valid bills are due and payable 15 days after the postmark on the envelope in which the bill was transmitted. Whenever service is established or discontinued during a billing period, the fixed service charge will be prorated on a daily basis to the date service is established or terminated.

ISSUED:

BY: GARY R. ERN, PRESIDENT  
GORDON'S CORNER WATER COMPANY  
P.O. BOX 145  
MARLBORO, NJ 07746-0145

EFFECTIVE:

FILED PURSUANT TO ORDER OF THE  
BOARD OF PUBLIC UTILITIES IN  
DOCKET NO.

**SCHEDULE C**

**GORDON'S CORNER WATER COMPANY**

PROFORMA REVENUES UNDER STIPULATED RATES

<u>METER SIZE</u>	<u>QUANTITY</u>	<u>STIPULATED TARIFF RATE (QUARTERLY)</u>	<u>ANNUAL FIXED REVENUES</u>	<u>% INCREASE</u>
<u>GENERAL METERED SERVICES</u>				
5/8"	13467	\$27.53	\$1,482,878.00	20.00%
3/4"	1194	\$41.29	\$197,211.00	20.00%
1"	55	\$68.81	\$15,138.00	20.00%
1 1/2"	11	\$137.63	\$6,056.00	20.00%
2"	38	\$220.19	\$33,469.00	20.00%
4"	14	\$688.09	\$38,533.00	20.00%
6"	2	\$1,376.21	\$11,010.00	20.00%
Less: Fixed Service Charge for Seasonal Turn-Offs			<u>-18,000</u>	
<b>TOTAL FIXED SERVICE REVENUE</b>			<b>\$1,766,295.00</b>	
<u>PRIVATE FIRE SERVICE</u>				
2"	8	\$15.64	\$501.00	7.88%
4"	15	\$77.87	\$4,672.00	7.88%
6"	36	\$155.74	\$22,426.00	7.88%
8"	63	\$249.27	<u>\$62,815.00</u>	7.88%
<b>TOTAL PRIVATE FIRE REVENUE</b>			<b>\$90,414.00</b>	
<u>PUBLIC FIRE SERVICE</u>				
		<u>ANNUAL RATE</u>		
HYDRANTS	1140	\$68.76	\$78,392.00	4%
INCH FOOT	8940500	\$0.04007	<u>\$358,257.00</u>	4%
<b>TOTAL PUBLIC FIRE REVENUE</b>			<b>\$436,649.00</b>	

TOTAL REVENUES OTHER THAN FROM COMSUMPTION AND MISC. SERVICE REVENUE -	\$2,293,358	
MISCELLANEOUS SERVICE REVENUE	\$17,562	
MISCELLANEOUS NON-OPERATING INCOME	358,276	
CONSUMPTION REVENUE(Based on 1,641,755 gal x \$4.234/1000gal)	\$6,950,607	10.77%
PWAC REVENUE	<u>\$0</u>	0%
<b>PROFORMA REVENUES UNDER STIPULATED RATES</b>	<u><u>\$9,619,803</u></u>	

**SCHEDULE D**

**GORDON'S CORNER WATER COMPANY  
PURCHASED WATER COSTS**

<u>SOURCE OF SUPPLY</u>	<u>THOUSAND GALLONS</u>	<u>COST PER THOUSAND GALLONS</u>	<u>TOTAL COST</u>
UWR-Matchaponix	547,500	2.55	\$1,396,125
Marlboro Township MUA	547,500	3.384	1,852,740
Aberdeen Township Diversion	<u>132,530</u>	1.30	<u>172,289</u>
	<b>1,227,530</b>	<b>PRO FORMA PURCHASED WATER COST</b>	<b>\$3,421,154</b>



State of New Jersey  
 OFFICE OF ADMINISTRATIVE LAW  
 33 Washington Street  
 Newark, New Jersey 07102  
 (973) 648-6008  
 (973-648-6058)

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 NEWARK, N.J.

Robert J. Giordano, ALJ &  
 Manager of Organizational Development

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 NEWARK, N.J.

**NORTH**

Date APR 14 2008

Re: Initial Decisions for Receipt

We are hereby forwarding to you the following decisions from the office of Administrative Law. **Receipt is acknowledged as of the next business day of the date indicated below.** Should a listed decision not be included in this batch, please call 973-648-6008.

OAL Docket No. PUC	Case Name
<u>11130-07</u>	<u>Gordon's Corner</u>

Board of Public Utilities  
 Two Gateway Center  
 Newark, New Jersey 07102

Date: \_\_\_\_\_

\_\_\_\_\_  
 Board of Public Utilities