



Agenda Date: 4/14/10
Agenda Item: VC

STATE OF NEW JERSEY
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
www.nj.gov/bpu

WATER

IN THE MATTER OF THE PETITION OF AQUA NEW)
JERSEY, INC.'S MAXIM WASTEWATER DIVISION) ORDER ADOPTING
FOR APPROVAL OF A PURCHASED SEWERAGE) STIPULATION
TREATMENT ADJUSTMENT CLAUSE TRUE-UP)
FOR 2007 AND 2008) BPU DOCKET NO. WR09070560

Kim Joyce, Esq., Aqua America, Inc. and Colleen A. Foley, Esq., Saul Ewing, LLP, on behalf of the Maxim Wastewater Division of Aqua New Jersey, Inc., Petitioner

BY THE BOARD:

On July 27, 2009, pursuant to N.J.A.C. 14:9-7.1 et seq., Aqua New Jersey Inc.'s Maxim Wastewater Division ("Maxim or Petitioner"), a public utility of the State of New Jersey, filed a petition with the Board of Public Utilities ("Board") seeking approval of a Purchased Sewerage Treatment Adjustment Clause ("PSTAC") true-up for calendar years 2007 and 2008.

Maxim is a wastewater utility engaged in the collection and transmission of sewage. Maxim serves approximately 2,570 customers within a portion of Howell Township, Monmouth County, New Jersey. The Ocean County Utilities Authority ("OCUA") collects and treats all of the sewage transmitted by Maxim.

Petitioner's rates reflect the recovery of sewerage treatment charges by the OCUA. The current PSTAC tariff was approved by the Board in an Order in Docket No. WR07080632, dated March 4, 2008, which examined PSTAC revenues and expenses applicable to the period ending December 31, 2006.

PROCEDURAL HISTORY

This matter was retained by the Board. In this proceeding, the Parties have examined the Company's revenues and OCUA expenses for calendar years 2007 and 2008. Based on the foregoing, the Parties have agreed that no adjustment to rates should be made for the 2007 and 2008 period. No public hearing was scheduled with respect to this rate matter as no change in rates has occurred. There were no Interveners in this matter.

Maxim, the Department of Public Advocate, Division of Rate Counsel ("Rate Counsel") and Board Staff ("the Parties") engaged in settlement negotiations and based upon the settlement discussions the Parties have agreed that no over/under recoveries existed and to maintain the current PSTAC rates.

The Parties entered into a Stipulation of Settlement ("Stipulation") fully disposing of all issues. Pursuant to the Stipulation, the Petitioner shall maintain its PSTAC rates at its current Board approved level.

DISCUSSIONS AND FINDINGS

As a result of the Stipulation, the Parties agreed that there was no over/under recovery and that the tariff rates previously established in the last PSTAC filing, under Docket No. WR07080632 remain unchanged. Pursuant to the Stipulation, Petitioner shall file a PSTAC true-up no later than July 30, 2010, or 45 days after OCUA provides notice of applicable sewerage rates for 2011, whichever is earlier. This filing shall include an estimate of OCUA costs for calendar year 2011. Copies of the true-up filing shall be served upon all parties to the present proceeding.

Having reviewed the Stipulation among the Parties to this proceeding, the Board HEREBY FINDS that the Stipulation is reasonable, in the public interest and is in accordance with the law. Therefore, the Board HEREBY ADOPTS the Stipulation, attached hereto, including the attachments and schedules, as its own, incorporating by reference the terms and conditions of the Stipulation, as if fully set forth at length herein, subject to the following:

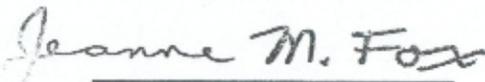
- a) In accordance with the provisions of N.J.A.C. 14:9-7.4, and this Order the Petitioner shall file with the Board, no later than 45 days after the end of the year covered by the PSTAC, a true-up schedule in connection with this proceeding. Copies of the true-up schedules shall be served upon all parties to the present proceeding.

The Board HEREBY DIRECTS the Company to file tariff pages conforming to the terms and conditions of the Stipulation and this Order within ten (10) days from the date of this Order.

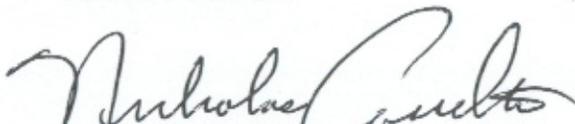
DATED: 4/16/10

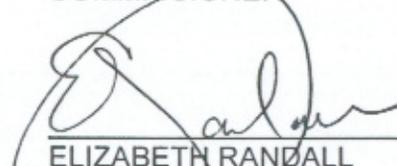
BOARD OF PUBLIC UTILITIES
BY:

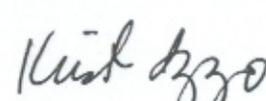

LEE A. SOLOMON
PRESIDENT


JEANNE M. FOX
COMMISSIONER

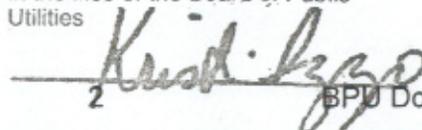

JOSEPH L. FIORDALISO
COMMISSIONER


NICHOLAS ASSELTA
COMMISSIONER


ELIZABETH RANDALL
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


2

IN THE MATTER OF THE PETITION OF THE AQUA NEW JERSEY, INC.'S MAXIM
WASTEWATER DIVISION FOR APPROVAL OF A PURCHASED SEWERAGE TREATMENT
ADJUSTMENT CLAUSE TRUE-UP FOR 2007 AND 2008

BPU DOCKET NO. WR09070560

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Newark, NJ 07102

**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES**

**IN THE MATTER OF THE PETITION OF
AQUA NEW JERSEY INC.'S, MAXIM
WASTEWATER DIVISION FOR APPROVAL
OF A PURCHASED SEWERAGE
TREATMENT ADJUSTMENT CLAUSE
TRUE-UP FOR 2007 & 2008**

**STIPULATION OF
SETTLEMENT**

BPU DOCKET NO. WR09070560

APPEARANCES:

Kim Joyce, Esq., Aqua America, Inc. and Colleen A. Foley, Esq., Saul Ewing LLP, on behalf of the Maxim Wastewater Division of Aqua New Jersey, Inc., Petitioner

Susan McClure, Esq., Assistant Deputy Public Advocate, on behalf of the Department of the Public Advocate, Division of Rate Counsel

Alex Moreau, Deputy Attorney General (Paula T. Dow, Acting Attorney General of New Jersey), on behalf of the Staff of the New Jersey Board of Public Utilities

TO THE HONORABLE NEW JERSEY BOARD OF PUBLIC UTILITIES:

The Parties that have participated in this proceeding are as follows: the Maxim Wastewater Division of Aqua New Jersey, Inc. ("Aqua," "Company," or "Petitioner"), the Division of Rate Counsel ("Rate Counsel") and the Staff of the Board of Public Utilities ("Staff") (collectively, the "Parties"). There were no intervenors in this proceeding. As a result of an analysis of Aqua's Petition and exhibits, discovery conducted by Rate Counsel and the Staff, conferences, and negotiations, the Parties to this proceeding have come to the within agreement. The Parties hereto agree and stipulate as follows:

1. Petitioner, the Maxim Wastewater Division of Aqua New Jersey, Inc., operates a sewage collection and transmission system within a portion of the Township of Howell, New Jersey. Petitioner serves approximately 2,570 customers within its service territory. Aqua New

Jersey, Inc. is a public utility corporation of the State of New Jersey subject to the jurisdiction of the Board of Public Utilities (the "Board"). Aqua's principal business office is located at 10 Black Forest Road, Hamilton, New Jersey 08691.

2. On July 27, 2009, pursuant to N.J.A.C. 14:9-7.1 et seq., Aqua filed the above-captioned Petition with the Board, which was later assigned Docket No. WR09070560, for approval of a purchased sewerage treatment adjustment clause ("PSTAC") true-up for calendar years 2007 and 2008. The matter was retained by the Board.

3. Petitioner's rates reflect the recovery of sewerage treatment charges by the Ocean County Utilities Authority ("OCUA"). The current PSTAC tariff was approved by the Board in an Order in Docket No. WR07080632, dated March 4, 2008, which examined PSTAC revenues and expenses applicable to the period ending December 31, 2006.

4. In this proceeding, the Parties have examined the Company's revenues and OCUA expenses for calendar years 2007 and 2008. Based on the foregoing, the Parties have agreed that no adjustment to rates should be made for the 2007 and 2008 period. No public hearing was scheduled with respect to this rate matter as no change in rates has occurred.

5. Petitioner will maintain its rates at their current Board-approved level as shown on Exhibit A (tariff), attached hereto, and made an integral part of this Stipulation of Settlement.

6. The Parties agree that all over or under-recovered sewerage treatment costs from periods prior to calendar year 2009, shall be deemed to have been resolved by the terms of this Stipulation of Settlement, and may not be raised in any subsequent proceeding.

7. Consistent with the provisions of N.J.A.C. 14:9-7.1 et seq., the Parties agree that the Company will file with the Board a PSTAC petition to reconcile calendar year 2009, actual OCUA costs with the estimated OCUA costs (as reflected in the rates identified on Exhibit A)

for the same period. Additionally, the Company will include in its filing an estimate of OCUA costs for calendar year 2011, which estimate will be used to determine the applicable PSTAC rate for 2011, as required in N.J.A.C. 14:9-7.7. The Company agrees to make the filing described in this Paragraph no later than July 30, 2010, or within 45 days of receipt of a notice from the OCUA regarding applicable sewerage treatment rates for 2011, whichever is earlier. Thereafter, the Parties agree that the Company will make annual filings consistent with the provisions of N.J.A.C. 14:9-7.1 et seq. Thus, in mid 2011, the Company will make a filing to establish a PSTAC rate for calendar year 2012, and to true-up 2010, actual OCUA costs with the estimated OCUA costs for the same period (as reflected in the rates identified on Exhibit A hereto).

8. The Parties have engaged in full discovery. The Parties agree that the within Stipulation reflects a mutual balancing of various issues and positions, and that it is being entered into in the spirit of compromise and to avoid protracted and costly litigation.

9. This Stipulation is the product of negotiations by the Parties, and it is an express condition of the settlement embodied by this Stipulation that it be presented to the Board in its entirety without modification or condition. It is also the intent of the Parties to this Stipulation that this settlement, once accepted and approved by the Board, shall govern all issues specified and agreed to herein. The Parties to this Stipulation specifically agree that if adopted in its entirety by the Board, no appeal shall be taken by them from the order adopting same as to those issues upon which the Parties have stipulated herein.

10. The Parties agree that each term within this Stipulation reflects a mutual balancing of various issues and positions and is intended to be accepted and approved in its entirety. Each term is vital to this Stipulation as a whole, since the Parties hereto expressly and

jointly state that they would not have signed this Stipulation had any terms been modified in any way. In the event any particular aspect of this Stipulation is not accepted and approved by the Board, then any Party hereto materially affected thereby shall not be bound to proceed under this Stipulation.

11. The Parties further agree that with respect to any policy or other issues which were compromised in the spirit of reaching an agreement, none of the Parties shall be prohibited from, or prejudiced in, arguing a different policy or position before the Board in any other proceeding, as such agreements pertain only to this matter and to no other matter.

12. This Stipulation may be executed in as many counterparts as there are Parties of this Stipulation, each of which counterparts shall be an original, but all of which shall constitute one and the same instrument.

MAXIM WASTEWATER DIVISION OF
AQUA NEW JERSEY, INC.

Jan. 29, 2010
Date

By: Colleen A. Foley
Saul Ewing LLP
Colleen A. Foley, Esq.
Attorney for Petitioner

PAULA T. DOW,
ACTING ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the
New Jersey Board of Public Utilities

Date

By: _____
Alex Moreau
Deputy Attorney General

STEFANIE A. BRAND, ESQ.
ACTING PUBLIC ADVOCATE
DIRECTOR - RATE COUNSEL

March 22, 2010
Date

By: Susan McClure
Susan McClure, Esq.
Assistant Deputy Public Advocate

12. This Stipulation may be executed in as many counterparts as there are Parties of this Stipulation, each of which counterparts shall be an original, but all of which shall constitute one and the same instrument.

MAXIM WASTEWATER DIVISION OF
AQUA NEW JERSEY, INC.

Jan. 29, 2010
Date

By: Colleen A. Foley
Saul Ewing LLP
Colleen A. Foley, Esq.
Attorney for Petitioner

PAULA T. DOW,
ACTING ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the
New Jersey Board of Public Utilities

02/03/10
Date

By: [Signature]
Alex Moreau
Deputy Attorney General

STEFANIE A. BRAND, ESQ.
ACTING PUBLIC ADVOCATE
DIRECTOR - RATE COUNSEL

Date

By: _____
Susan McClure, Esq.
Assistant Deputy Public Advocate

PURCHASED SEWERAGE TREATMENT ADJUSTMENT CLAUSE

In addition to the Base Service Charge set forth in Rate Schedule No. 1, the Purchased Sewerage Treatment Adjustment Clause rates, in accordance with N.J.A.C. 14:9-8.1 et seq., shall be:

FLAT RATE SERVICE

<u>Type of Property</u>	<u>Purchased Sewerage Treatment Adjustment Clause</u>	
	<u>Annual</u>	<u>Monthly</u>
Single Family Dwelling	\$319.84	\$26.65
Two Family Dwelling	533.41	44.45
Apartment Dwelling (1 st Apt.)	319.84	26.65
Each Additional Apartment	319.84	26.65
Town House Dwelling Unit	319.84	26.65

Business, Commercial, Industrial, Religious and School Use

Minimum charges for sewer service shall be based on water service size as follows:

<u>Service Size (Inches)</u>	<u>Purchased Sewerage Treatment Adjustment Clause</u>	
	<u>Annual</u>	<u>Monthly</u>
$\frac{3}{4}$	\$319.84	\$26.65
1	533.41	44.45
1 $\frac{1}{2}$	1,097.99	91.50
2	1,702.33	141.86
3	3,295.05	274.59
4	5,326.63	443.89

METERED SERVICE

\$3.238 per thousand gallons

When water meter readings are available, the customers shall be billed at \$3.238 per thousand gallons, or the minimum PSTAC charge, whichever is greater. If the water is privately supplied, Aqua New Jersey, Inc. shall be permitted to install a meter at the source of supply.

The above charges are based upon the Board of Public Utilities' estimate of Aqua New Jersey, Inc.'s twelve (12) month average cost of purchased sewerage treatment. The estimated twelve (12) month average cost shall be periodically redetermined by the Board in accordance with true-up procedures set forth in N.J.A.C. 14:9-8.1 et seq.

Issued by: Aqua New Jersey, Inc.
10 Black Forest Road
Hamilton NJ 08691

Effective March 4, 2008

Issue date:

Filed pursuant to Decision and Order of the Board of Public Utilities in Docket No. WR07080632 dated February 27, 2008.