



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 |) | ORDER ADOPTING INITIAL |
| UNITED WATER TOMS RIVER, INC. FOR |) | DECISION / STIPULATION OF |
| APPROVAL OF AN INCREASE IN RATES FOR |) | SETTLEMENT |
| WATER SERVICE AND OTHER TARIFF |) | |
| CHANGES |) | BPU Docket No. WR09110934 |
| |) | OAL Docket No. PUC13885-2009N |

Stephen B Genzer, Esq., Saul Ewing LLP, Attorney for Petitioner

BY THE BOARD:

On November 18, 2009, pursuant to N.J.S.A. 48:2-21 and N.J.A.C. 14:1-5.12, United Water Toms River, Inc. ("Petitioner" or "Company"), a public utility of the State of New Jersey, subject to the jurisdiction filed a petition¹ with the Board of Public Utilities ("Board") seeking to increase its rates and charges for water service and other tariff changes that would have resulted in an increase in total Company revenues in the amount of \$9,279,000 or 39.7% over pro forma present rate revenues.

By this Order, the Board considers the Initial Decision recommending adoption of the Stipulation of Settlement ("Stipulation") executed by the Company, the Department of the Public Advocate, Division of Rate Counsel ("Rate Counsel") and Board Staff (collectively, the "Signatory Parties"), agreeing to an overall increase in revenues in the amount of \$4,900,000 representing a 19.01% increase over total Company revenues. This increase will result in total Company revenues of \$30,670,604.

BACKGROUND/PROCEDURAL HISTORY

Petitioner is a public water utility engaged in the business of collecting, treating and distributing water for retail service to approximately 50,000 customers in the central portion of Ocean County in the municipalities of The Township of Toms River (formally known as Dover Township), the Borough of South Toms River and a portion of Berkeley Township.

On December 3, 2009, this matter was transmitted to the Office of Administrative Law ("OAL") where it was assigned to Administrative Law Judge ("ALJ") Walter M. Braswell. A Pre-hearing conference was held on January 13, 2010, and a Pre-Hearing Order was issued on January 27, 2010. Intervention status was granted to the Township of Toms River, the Township of

¹ Petitioner also sought Board approval of deferred accounting treatment for the Pension and Post Employment Benefits expenses calculated in accordance with FAS (i.e. Financial Accounting Standard) 87 and FAS 106.

Berkeley and the Toms River Fire Commissioners, Districts #1 and #2. Participant status was granted to Public Service Electric and Gas Company.

The Company proposed to make its rates effective on December 18, 2009. On December 17, 2009, the Board entered an Order suspending the rates until April 18, 2010. On April 16, 2010, the Board entered an Order further suspending the rates until August 18, 2010.

On March 8, 2010, two public hearings were held at the Berkeley Township Municipal Building. The first public hearing was held at 3:30 pm, and the second public hearing was held at 5:30 pm. ALJ Braswell presided over both hearings. Numerous members of the public appeared at both hearings and commented on the proposed rate increase and the magnitude of the request.

Subsequent to the exchange of discovery and the holding of public hearings and prior to the scheduled evidentiary hearings, the Parties to the proceeding engaged in settlement negotiations. As a result of those negotiations the Parties entered into the Stipulation. A copy of this Stipulation is attached. The Interveners, Berkeley, Toms River, Fire District 1 and Fire District 2, have provided letters indicating that while they do not object to the terms of this settlement, they will not be Signatory Parties to this agreement.

On May 24, 2010, ALJ Braswell issued his Initial Decision recommending adoption of the Stipulation executed by the Signatory Parties, finding that the Signatory Parties had voluntarily agreed to the Stipulation and that the Stipulation fully disposes of all issues and was consistent with the law.

DISCUSSION AND FINDINGS

Among the provisions of the Stipulation, the Signatory Parties recommend a rate base in the amount of \$90,000,000 and that the Company be authorized a return on equity of 10.30% for an overall rate of return of 8.45%. As a result of the Stipulation, the average bill for a single family residential customer with a 5/8" meter using 64,000 gallons of water per year will increase from the current annual rate of \$396.39 per year to \$476.82 per year, an annual increase of \$80.43 or 20.29%; or a quarterly increase from \$99.10 to \$119.20, a quarterly increase of \$20.10 or 20.3%.

Having reviewed ALJ Braswell's Initial Decision and the Stipulation among the Signatory Parties to the proceeding, the Board HEREBY FINDS that the Signatory Parties have voluntarily agreed to the Stipulation, that the Stipulation fully disposes of all issues in this proceeding and that it is consistent with the law. The Board HEREBY FINDS the Initial Decision which adopted the Stipulation to be reasonable and in the public interest. No exceptions have been received by the Board.

Accordingly, the Board HEREBY ADOPTS the ALJ's Initial Decision and the Stipulation, attached hereto, including all attachments and Schedules, as its own, incorporating by reference the terms and conditions as if fully set forth herein, subject to the following:

- a) The tariff sheets attached to the Stipulation containing rates and charges conforming to the Stipulation and designed to produce the additional annual revenues to which the Signatory Parties have stipulated herein are HEREBY ACCEPTED.
- b) The Stipulated increase and the tariff design allocations for each customer classification are HEREBY ACCEPTED.

- c) The Board HEREBY ORDERS that Petitioner file a new tariff with the Board, with copies to the Parties, in conformity with this Stipulation.

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 date of this Order.

On December 30, 2009, the Appellate Division issued a decision invalidating certain provisions of the Board's Main Extension Rules. On March 24, 2010, the Board issued a Secretary's letter ("March 24 Letter") directing the utilities to process all applications and deposits for extensions received after December 30, 2009 as if they were in a 'Designated Growth Area' under N.J.A.C. 14:3-8.1 et seq. Pursuant to this Order, the Company will file a complete revised tariff to implement the terms of the Stipulation and this Board Order. The Board, HEREBY ORDERS to the extent that filing addresses the Main Extension Rules, the newly filed tariff shall be consistent with the Centex Decision and the March 24 Letter.

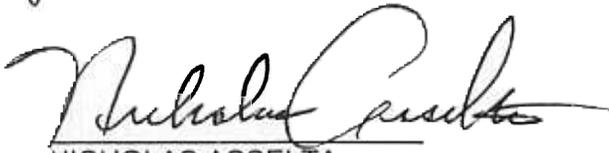
DATED: 6/7/10

BOARD OF PUBLIC UTILITIES
BY:

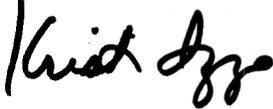

LEE A. SOLOMON
PRESIDENT


JEANNE M. FOX
COMMISSIONER

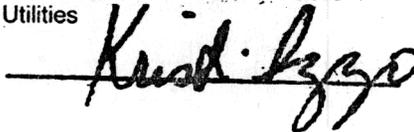

JOSEPH L. FIORDALISO
COMMISSIONER


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



IN THE MATTER OF THE PETITION OF UNITED WATER TOMS RIVER, INC., FOR
APPROVAL OF AN INCREASE IN RATES FOR WATER SERVICE AND OTHER TARIFF
CHANGES - BPU Docket No. WR09110934 & OAL Docket No. PUC 13885-2009N

SERVICE LIST

Stephen B. Genzer, Esq.
Saul Ewing, LLP
One Riverfront Plaza, 5th Floor
Newark, New Jersey 07102

Colleen Foley, Esq.
Saul Ewing, LLP
One Riverfront Plaza, 5th Floor
Newark, New Jersey 07102

Rick Pfeleiderer, VP & General Manager
United Water Toms River
15 Adafre Avenue
P.O. Box 668
Toms River, NJ 08754

Patrick Sheehan, Esq.
Glasner & Sheehan
Township of Berkeley
6 Hooper Avenue
Toms River, New Jersey 08753

Kenneth B. Fitzsimmons, Esq.
Town of Toms River
Department of Law
33 Washington Street
PO Box 728
Toms River, New Jersey 08753

Robert E. Swain, Jr., Esq.
Town of Toms River
Brinley Plaza – Building 2
3100 Highway 138
Wall, NJ 07719

Debra Robinson, Esq.
Division of Rate Counsel
31 Clinton Street, 11th Floor
P.O. Box 46005
Newark, New Jersey 07101

Paul Flanagan, Esq.
Division of Rate Counsel
31 Clinton Street, 11th Floor
P.O. Box 46005
Newark, New Jersey 07101

Susan McClure, Esq.
Division of Rate Counsel
31 Clinton Street, 11th Floor
P.O. Box 46005
Newark, New Jersey 07101

Christine Juarez, Esq.
Division of Rate Counsel
31 Clinton Street, 11th Floor
P.O. Box 46005
Newark, New Jersey 07101

Alex Moreau, DAG
Department of Law & Public Safety
Division of Law
124 Halsey Street, 5th Floor
PO Box 45029
Newark, New Jersey 07101

Cynthia Holland, DAG
Department of Law & Public Safety
Division of Law
124 Halsey Street, 5th Floor
PO Box 45029
Newark, New Jersey 07101

Caroline Vachier, DAG
Department of Law & Public Safety
Division of Law
124 Halsey Street, 5th Floor
PO Box 45029
Newark, New Jersey 07101

Geoffrey Gersten, DAG
Department of Law & Public Safety
Division of Law
124 Halsey Street, 5th Floor
PO Box 45029
Newark, New Jersey 07101

Peter Van Dyke, Esq.
204 Court House Lane
CN 2028
Toms River, NJ 08754

Richard M. Braslow, Esq.
516 Fielders Lane
Toms River, NJ 08755

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

**IN THE MATTER OF THE PETITION
OF UNITED WATER TOMS RIVER INC.
FOR APPROVAL OF AN INCREASE IN
RATES FOR WATER SERVICE
AND OTHER TARIFF CHANGES**

**: BPU DOCKET NO. WR09110934
: OAL DKT. NO. PUC 13885-2009N
:
: STIPULATION OF
: SETTLEMENT
:**

APPEARANCES:

Stephen B. Genzer, Esq., and Colleen A. Foley, Esq., Saul Ewing LLP, on behalf of United Water Toms River Inc., Petitioner

Alex Moreau, Esq., and Cynthia L. M. Holland, Esq., Deputy Attorneys General (Paula T. Dow, Attorney General of New Jersey), on behalf of the Staff of the Board of Public Utilities

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

Patrick Sheehan, Esq., Municipal Attorney for the Township of Berkeley, on behalf of Intervenor, Township of Berkeley

Kenneth B. Fitzsimmons, Esq., Township Attorney for the Township of Toms River, and Robert E. Swain, Jr.; Swain & Westreich, LLC, on behalf of Intervenor, Township of Toms River

Peter J. Van Dyke, Esq., Kelaher, Garvey, Ballou, Van Dyke & Rogalski, on behalf of Intervenor, Toms River Fire Commissioners, District No. 1

Richard M. Braslow, Esq., on behalf of Intervenor, Toms River Fire Commissioners, District No. 2

Mally Becker, Esq., on behalf of Participant, Public Service Electric and Gas Company

TO THE HONORABLE BOARD OF PUBLIC UTILITIES:

The Parties in this proceeding are as follows: United Water Toms River Inc., (“Petitioner” or “Company”), the Department of the Public Advocate, Division of Rate Counsel

("Rate Counsel"), the Staff of the Board of Public Utilities ("Staff"), the Township of Berkeley ("Berkeley"), the Township of Toms River ("Toms River"), the Toms River Fire Commissioners, Districts No. 1 ("Fire District 1") and No. 2 ("Fire District 2"). Also, Public Service Electric and Gas Company ("PSE&G") moved for intervenor status, which motion was denied, but was granted participant status instead by Order dated April 30, 2010. As a result of an analysis of Petitioner's pre-filed testimony and exhibits, extensive discovery, two public comment hearings held on March 8, 2010, at the Berkeley Township Municipal Hall, Bayville, New Jersey, and extensive negotiations among the Parties, the Petitioner, Staff and Rate Counsel (collectively, the "Signatory Parties") have come to an agreement on the issues in dispute in this matter. Participant, PSE&G, and Intervenors, Berkeley, Toms River, Fire District 1, and Fire District 2 have provided letters indicating that while they do not object to the terms of this settlement, they will not be Signatory Parties to it. The Signatory Parties hereto agree and stipulate as follows.

PROCEDURAL HISTORY

1. On November 18, 2009, Petitioner, a public utility corporation of the State of New Jersey, pursuant to N.J.S.A. 48:2-21 and 14:1-5.12 et. seq., filed a petition with the Board of Public Utilities ("Board" or "BPU") to increase rates for water service and to make other tariff changes. Specifically, the Petitioner requested a rate increase of approximately \$9.3 million. The test year in this proceeding was proposed to be the twelve-month period ending April 30, 2010, adjusted for known and measurable changes.

2. The Board transmitted this matter to the Office of Administrative Law ("OAL"), and Administrative Law Judge ("ALJ") Walter M. Braswell was assigned to hear the case. On December 7, 2009, the Board entered an Order suspending until April 18, 2010, the

implementation of changes the Petitioner sought to make to its tariffs. A Pre-Hearing Conference was convened by ALJ Braswell on January 13, 2010, and a Pre-Hearing Order was issued on January 27, 2010. On April 16, 2010, the Board issued a second order further suspending the implementation of proposed rates until August 18, 2010.

3. Extensive discovery was conducted by the Signatory Parties with the Petitioner providing responses to hundreds of data requests. After proper notice, two public hearings were held on March 8, 2010: one in the afternoon and one in the evening at the Berkeley Township Municipal Hall in Bayville, New Jersey. Numerous members of the public appeared and commented on the proposal. Most stated their opposition to the magnitude of the request.

4. Numerous settlement discussions were held, and the agreements reached during those discussions have resulted in the following stipulation by the Signatory Parties.

RATE INCREASE

5. The Signatory Parties agree that for purposes of this settlement rate base is established at \$90,000,000 and adjusted for certain known and measurable changes. The Signatory Parties agree that, for the purposes of this proceeding and settlement only, an overall rate of return of 8.45% is appropriate and is calculated using the Petitioner’s filed capital structure of 48.62% long-term debt and 51.38% common equity and the stipulated cost rate of 6.49% for long-term debt and 10.3% for common equity. The calculation of the additional revenue requirement amount is as follows:

| | |
|----------------------------|--------------|
| Rate Base | \$90,000,000 |
| Rate of Return | 8.45% |
| Required Operating Income | 7,605,000 |
| Test Year Operating income | 4,881,079 |
| Deficiency | 2,723,921 |
| Revenue Conversion Factor | 1.7988770 |
| Revenue Requirement | \$4,900,000 |

6. The Signatory Parties stipulate to a total revenue increase for the Petitioner of \$4,900,000 (the "Stipulated Rate Increase"), and that this increase is an appropriate result of this matter. The Signatory Parties further acknowledge that the terms of this Stipulation, and any issue contained in this Stipulation, and approved by the Board, will become effective on the date of a fully executed written Board Order unless otherwise directed by the Board. The Signatory Parties agree that the level of revenues resulting from the Stipulated Rate Increase is necessary to ensure that the Petitioner will continue to provide safe, adequate, and proper water service to its customers.

7. The Stipulated Rate Increase includes a consolidated tax adjustment as well as the amortization of certain expenses recorded on the books of the Company including previously authorized amortizations for tank painting expenses and other previously agreed upon and approved amortizations. The Company agrees that tank painting expenses incurred after the conclusion of this base rate proceeding will begin to be amortized the month following the completion of the tank painting. For ratemaking purposes, previous tank painting amortizations will be adjusted to reflect this prospective timing agreement and any difference amortized over a five (5) year period for accounting purposes.

8. The Signatory Parties agree that the attached tariff pages (included as Exhibit A), implementing the terms of this Stipulation, should be adopted by the Administrative Law Judge and the Board in their entirety. Attached as Exhibit B is a Proof of Revenues for Petitioner supporting these tariffs based upon the agreements among the Signatory Parties as implemented.

9. This Stipulation is the product of extensive negotiations by the Signatory 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

Signatory Parties to this Stipulation that this settlement, once accepted and approved by the Board, shall govern all issues specified and agreed to herein. The Signatory 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 Signatory Parties have stipulated herein. The Signatory Parties agree that the within Stipulation reflects 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 Signatory 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 Signatory Party hereto materially affected thereby shall not be bound to proceed under this Stipulation. The Signatory Parties further agree that the purpose of this Stipulation is to reach fair and reasonable rates, with any compromises being made in the spirit of reaching an agreement. None of the Signatory 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. Also, all rates are subject to audit by the Board.

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

UNITED WATER TOMS RIVER INC.

5/19/10
Date

By: 
Saul Ewing LLP
Stephen B. Genzer, Esq.
Attorney for Petitioners

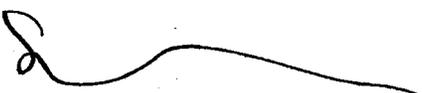
PAULA T. DOW
ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the New Jersey
Board of Public Utilities

Date

By: _____
Alex Moreau, DAG
Cynthia L. M. Holland, DAG

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

5/21/10
Date

By: 
Susan McClure, Esq.
Christine Juarez, Esq.
Assistant Deputy Public Advocates

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

UNITED WATER TOMS RIVER INC.

5/19/10
Date

By: 
Saul Ewing LLP
Stephen B. Genzer, Esq.
Attorney for Petitioners

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

05/20/10
Date

By: 
Alex Moreau, DAG
Cynthia L. M. Holland, DAG

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

Date

By: _____
Susan McClure, Esq.
Christine Juarez, Esq.
Assistant Deputy Public Advocates

**SWAIN & WESTREICH, LLC
ATTORNEYS AT LAW**

**BRINLEY PLAZA - BUILDING 2
3100 HIGHWAY 138
WALL, NEW JERSEY 07719**

**Robert E. Swain, Jr.
Kenneth P. Westreich**

**(732) 681-7272
Telefax (732)681-0924**

May 12, 2010

Honorable Walter M. Braswell, ALJ
33 Washington Street
Newark, New Jersey 07102

**RE: *IN THE MATTER OF THE PETITION OF UNITED WATER, TOMS RIVER, INC.
FOR APPROVAL OF AN INCREASE IN RATES AND OTHER TARIFF CHANGES
BPU DOCKET NO.: WR9110934
OAL DOCKET NO.: PUC13885-09***

Dear Judge Braswell:

This Firm represents the Townships of Berkeley and Toms River in the above-referenced matter and we participated fully in the settlement discussions on behalf of each which resulted in the Stipulation of Settlement now pending before you.

By this letter we are authorized to inform you on behalf of both municipalities that although neither the Township of Berkeley nor the Township of Toms River are signatory parties to the proposed Stipulation of Settlement, neither objects to the Stipulation in its present form, but rather take no position with respect to the same and respectfully request that this be noted of record.

Please feel free to contact me with any questions that you may have in regard to the foregoing.

Thanking you for your continuing courtesies, I remain,

Very truly yours,



Robert E. Swain, Jr.,
for the Firm and on behalf of
The Township of Berkeley and
The Township of Toms River.

c: Service List

KELAHER, GARVEY, BALLOU,
VAN DYKE & ROGALSKI

THOMAS F. KELAHER
JOSEPH J. GARVEY"
ROBERT A. BALLOU, JR."
PETER J. VAN DYKE ‡
ELEANORE A. ROGALSKI"
SUZANNE WHITE BALLOU
KATHLEEN C. MORIARTY"
JOSEPH A. PETRILLO"

A PROFESSIONAL CORPORATION
COUNSELLORS AT LAW
204 COURT HOUSE LANE
CN 2028
TOMS RIVER, NEW JERSEY 08754-2028
(732) 341-1212
Telefax: (732) 240-6704
Real Estate Telefax: (732) 341-2917
e-mail: thefirm@courthouselane.com

†CERTIFIED CIVIL TRIAL ATTORNEY
‡MEMBER N.J. & D.C. BARS
"MEMBER N.J. & N.Y. BARS
"MEMBER N.J. & P.A. BARS
"MEMBER N.J. & FLA BARS

‡MEMBER NATIONAL ACADEMY OF ELDER
LAW ATTORNEYS

OUR FILE NO. 9822.20009

May 17, 2010

Stephen B. Genzer, Esq.
Law Office of Saul Ewing
1 Riverfront Plaza
Newark, NJ 07102

Re: Proposed Rate Increase - United Water

Dear Mr Genzer:

With regard to the above-entitled matter, please be advised that the Board approved the proposed Resolution of the proposed rate increase at the May 13, 2010 meeting of the Board of Fire Commissioners, District No. 1. The Board authorized me to advise you that they are in agreement with the proposed resolution of that case.

The proposed settlement did not have a signature line for the interveners. However, it is my understanding that you wanted confirmation that the interveners were no longer objecting to the request for a rate increase.

If you need anything in addition to this letter, please advise.

Thank you for your kind attention.

Very truly yours,


PETER J. VAN DYKE

PVD/ss
DICTATED BUT NOT READ

Foley, Colleen A.

From: Genzer, Stephen B.
Sent: Friday, May 21, 2010 10:20 AM
To: Foley, Colleen A.
Subject: FW: Toms River Fire District No. 2

From: braslowesq6@aol.com [mailto:braslowesq6@aol.com]
Sent: Friday, May 21, 2010 9:57 AM
To: Genzer, Stephen B.; PVanDyke@courthouselane.com
Subject: Toms River Fire District No. 2

To: Stephen B. Genzer, Esq.
cc: Peter J. VanDyke, Esq.
E-Mail: sgenzer@saul.com
pvandyke@courthouselane.com
Re: Toms River Fire District No. 2
Sender: Richard M. Braslow

The Fire District has approved the proposed settlement. If you have any questions please contact me.

Richard M. Braslow, Esq.
516 Fielders Lane
Toms River, NJ 08755
Phone: (732) 341-7537
Fax: (732) 341-4425
braslowesq6@aol.com

STIPULATION OF SETTLEMENT

**UNITED WATER TOMS RIVER
BPU DOCKET NO. WR09110934**

EXHIBIT A

**PROPOSED TARIFF PAGES
IMPLEMENTING THE STIPULATION**

RATE SCHEDULE NO. 1
FOR METERED SERVICE

APPLICABILITY:

Applicable for the use of water supplied through meters in the entire territory served by the Company.

CHARACTER OF SERVICE:

Continuous except as limited by "Standard Terms and Conditions".

RATE:

Consumption Charge:

Per 1,000 Gallons

\$ 6.0759

Pursuant to N.J.S.A. 58:12A-17, the above rate is inclusive of the State Water Tax of 1-cent per thousand gallons.

SPECIAL PROVISION: Consumption charges for municipal water systems which purchase water under this Rate Schedule shall be reduced by \$0.01 per thousand gallons.

Facilities Charge:

| | <u>Per Month</u> | <u>Per Quarter</u> |
|------------|------------------|--------------------|
| 5/8 Inch | \$ 7.33 | \$ 22.00 |
| 3/4 Inch | 11.00 | 33.00 |
| 1 Inch | 18.33 | 55.00 |
| 1 1/2 Inch | 36.67 | 110.00 |
| 2 Inch | 58.67 | 176.00 |
| 3 Inch | 110.00 | 330.00 |
| 4 Inch | 183.33 | 550.00 |
| 6 Inch | 366.67 | 1,100.00 |
| 8 Inch | 586.67 | 1,760.00 |
| 10 inch | 843.11 | 2,529.32 |

Issued:

Effective:

Docket No.

By:

Dennis Ciemniecki, President
200 Old Hook Road, Harrington Park, New Jersey 07640

UNITED WATER TOMS RIVER INC.

BPU NO. 9 - WATER

Section 3
First Revised Sheet No. 3
Superseding Original Sheet No. 3

RATE SCHEDULE NO. 2

PUBLIC FIRE PROTECTION SERVICE

APPLICABILITY:

Applicable to Public Fire Hydrants in the entire territory served

CHARACTER OF SERVICE:

Continuous except as limited by "Standard Terms and Conditions":

RATE:

| | | |
|--|------------------|--------------------|
| | <u>Per Month</u> | <u>Per Quarter</u> |
| For each Hydrant owned and maintained by the Company | \$ 18.49 | \$ 55.47 |

MINIMUM CHARGE:

None

TERMS OF PAYMENT:

Public Fire Hydrant service will be billed quarterly or monthly (at the option of the Company), in arrears, at the rates shown above.

Payment is due within 10 days of presentation of the bill.

SPECIAL PROVISIONS:

Whenever service to a customer is established or discontinued prior to the end of the normal billing period for such customer, the applicable facilities charges will be prorated for the period for which service was provided.

TERM:

Continuous until water service within municipality is permanently discontinued.

Issued:

By: Dennis Ciemniecki, President
200 Old Hook Road, Harrington Park, New Jersey 07640

Effective: :
Docket No.

RATE SCHEDULE NO. 3
PRIVATE FIRE PROTECTION SERVICE

APPLICABILITY:

Applicable to customers throughout entire territory for private fire protection service as defined in the Standard Terms and Conditions.

CHARACTER OF SERVICE:

Continuous except as limited by "Standard Terms and Conditions":

RATE:

Private Fire Protection Service through service connections with or without hose or hydrants connected to them.

| Size of Meter/Service | <u>Per Month</u> | <u>Per Quarter</u> |
|-----------------------|------------------|--------------------|
| 1 1/2 Inch | \$ 19.44 | \$ 58.31 |
| * 2 Inch | 34.72 | 104.15 |
| 3 Inch | 78.51 | 235.53 |
| 4 Inch | 138.90 | 416.71 |
| 6 Inch | 312.63 | 937.90 |
| 8 Inch | 555.77 | 1,667.30 |
| 10 Inch | 868.40 | 2,605.20 |

Private Fire Protection through hydrants owned by the Company or customer and connected to Company owned mains located in private right-of-ways.

| | <u>Per Month</u> | <u>Per Quarter</u> |
|-------------|------------------|--------------------|
| Per Hydrant | \$ 28.12 | \$ 84.36 |

CONSUMPTION CHARGE:

Customers shall receive an allowance of 400 cubic feet per month for testing. Pursuant to the "Standard Terms and Conditions", water used for purposes other than fire fighting or permitted testing shall be charged to the customer in accordance with the consumption charges shown on Rate Schedule No. 1.

Issued:

Effective: ;

Docket No.,

By:

Dennis Ciemniecki, President
200 Old Hook Road, Harrington Park, New Jersey 07640

STIPULATION OF SETTLEMENT

**UNITED WATER TOMS RIVER
BPU DOCKET NO. WR09110934**

EXHIBIT B

PROOF OF REVENUES

United Water Toms River

Rate Proof - Per Stipulation

| | Total | Metered Service | Private Fire | Public Fire | | |
|---------------------------------------|-------------------|-------------------|------------------|-----------------|-----------------------|---------------------|
| Revenue | 25,564,603 | 23,807,918 | 1,218,378 | 538,307 | | |
| Increase per Stipulation | 4,860,826 | 4,790,559 | 48,735 | 21,532 | | |
| Total | 30,425,429 | 28,598,477 | 1,267,113 | 559,839 | | |
| Percent Increase | 19.01% | 20.12% | 4.00% | 4.00% | | |
| Misc Revenue | 206,028 | | | | | |
| Total Revenues | 30,631,457 | | | | | |
| Total Increase Percentage | 19.82% | | | | | |
| Fixed Revenues | | | | | | |
| Metered Service | | | | | | |
| Meter Size | Equivalents Ratio | Equivalent Meters | Bills | Rates | Revenues | |
| 5/8" | 1.00 | 40,761 | | 163,044 | \$22.00 | \$3,586,968 |
| 3/4" | 1.50 | 6,275 | | 25,100 | \$33.00 | \$828,300 |
| 1" | 2.50 | 1,477 | | 5,908 | \$55.00 | \$324,940 |
| 1 1/2" | 5.00 | 268 | | 1,072 | \$110.00 | \$117,920 |
| 2" | 8.00 | 263 | | 1,052 | \$176.00 | \$185,152 |
| 3" | 15.01 | 58 | | 232 | \$330.00 | \$76,494 |
| 4" | 25.01 | 38 | | 152 | \$550.00 | \$83,600 |
| 6" | 50.03 | 6 | | 24 | \$1,100.00 | \$26,400 |
| 8" | 80.04 | 1 | | 4 | \$1,760.00 | \$7,040 |
| Metered Service Fixed Revenues | | | | | | \$5,236,814 |
| Private Fire Protection | | | | | | |
| Hoses | | | | | | |
| Meter Size | Equivalents Ratio | Equivalent Meters | Bills | Rates | Revenues | |
| 1 1/2" | 5.00 | 7 | | 28 | \$58.31 | \$1,633 |
| 2" | 8.00 | 9 | | 36 | \$104.15 | \$3,749 |
| 3" | 15.01 | 86 | | 344 | \$235.53 | \$81,022 |
| 4" | 25.01 | 163 | | 652 | \$416.71 | \$271,693 |
| 6" | 50.03 | 93 | | 372 | \$937.90 | \$348,900 |
| 8" | 80.04 | 42 | | 168 | \$1,667.30 | \$280,106 |
| 10" | 115.00 | 2 | | 8 | \$2,605.20 | \$20,842 |
| | | | | | | \$1,007,944 |
| Hydrants | | 3,072 | | | \$84.36 | \$259,169 |
| Total Fire Protection | | | | | | \$1,267,113 |
| Public Fire Protection | | | | | | |
| Hydrants | | 10,092 | | | \$55.47 | \$559,840 |
| Total Fixed Revenues | | | | | | \$7,063,767 |
| Variable Revenues | | | | | | |
| Metered Service | | | Consumption | Stipulated Rate | Revenue | |
| | | | 3,851,415 | \$6.0759 | \$23,400,809 | |
| | | | | | Misc Revenues | \$206,028 |
| | | | | | Total Revenues | \$30,670,604 |



Received
May 27, 2010

State of New Jersey
OFFICE OF ADMINISTRATIVE LAW

INITIAL DECISION

SETTLEMENT

OAL DKT. NO. PUC 13885-09

AGENCY DKT. NO. WR09110934

**IN THE MATTER OF THE PETITION OF
UNITED WATER TOMS RIVER, INC., FOR
APPROVAL OF AN INCREASE IN RATES FOR
WATER SERVICE AND OTHER TARIFF
CHANGES.**

**Stephen B. Genzer, Esq., and Collen Foley, Esq., for petitioner (Saul Ewing,
attorneys)**

**Alex Moreau and Cynthia L.M. Holland, Deputy Attorney Generals, for
respondent (Paula T. Dow, Attorney General of New Jersey)**

**Susan McClure and Christine Juarez, Rate Counsel, on behalf of the
Division of Rate Counsel**

Patrick Sheehan, Esq., Intervenor, on behalf of Berkeley Township

**Kenneth B. Fitzsimmons, Esq., and Robert E. Swain, Jr. Intervenor, on behalf
of Toms River Township**

Mally Becker, Esq. on behalf of participant Public Service Electric and Gas Co.

Record Closed: May 24, 2010

Decided: May 24, 2010

BEFORE WALTER M. BRASWELL, ALJ

This matter was transmitted to the Office of Administrative Law (OAL) on December 16, 2009 for resolution as a contested case pursuant to N.J.S.A. 16:41C-8.7(b)3. A telephone pre-hearing was conducted on January 13, 2010. A public hearing was scheduled and conducted on March 8, 2010. Evidentiary hearings were scheduled for July 6, 7, and 21, 2010. Prior to the hearings the parties reached a settlement. On May 24, 2010 a copy of the fully executed Settlement Agreement was received by the OAL, indicating the terms of the agreement, which are incorporated herein by reference.

Having reviewed the contents of the attached Settlement Agreement, I **FIND**:

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

I approve the settlement and, therefore **ORDER** that the parties comply with the settlement terms and that these proceedings be concluded.

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 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.

May 24, 2010
DATE

Date Received at Agency:

Date Mailed to Parties:

ljb

Walter M. Braswell
WALTER M. BRASWELL, ALJ

Donna Thomas 5/27/2010