Agenda Date: 11/30/11 Agenda Item: VA



## STATE OF NEW JERSEY

Board of Public Utilities 44 S. Clinton Avenue, P.O. Box 350 Trenton, NJ 08625-0350 www.nj.gov/bpu/

## **WATER**

IN THE MATTER OF THE PETITION OF
NEW JERSEY-AMERICAN WATER COMPANY,
INC. FOR APPROVAL OF INCREASED TARIFF
RATES AND CHARGES FOR WATER AND
SEWER SERVICES, CHANGE IN DEPRECIATION)
RATES AND OTHER TARIFF MODIFICATIONS

ORDER FURTHER SUSPENDING INCREASES, CHANGES OR ALTERATIONS IN RATES FOR WATER SERVICE BPU DOCKET NO. WR11070460

Ira G. Megdal, Esq., Cozen O'Connor, Esq. for the Petitioner

Stefanie A. Brand, Esq., Director, Division of Rate Counsel

Kenneth J. Quinn, Esq., for Middlesex Water Company

## BY THE BOARD:

On July 29, 2011, pursuant to N.J.S.A. 48:2-18, N.J.S.A. 48:2-21, N.J.S.A. 48:2-21.1, N.J.A.C. 14:1-5.7 and N.J.A.C. 14:1-5.12, Petitioner New Jersey-American Water Company ("Company" or "Petitioner"), a public utility of the State of New Jersey subject to the jurisdiction of the Board of Public Utilities ("Board") and serving approximately 648,000 water and wastewater customers within all or part of 189 municipalities in 18 of the State's 21 counties. The increase in rates was proposed to become effective on August 29, 2011<sup>1</sup>. The Petitioner does not seek interim rate relief pending final determination on the petition.

According to the petition, the rate increase is required to enable the Petitioner to recover its investment in utility plant assets, its increased operating expenses to meet service quality and reliability goals, and to permit the Company the opportunity to earn a fair and adequate rate of return on its net investment in utility property, so to enable the Company to continue to provide safe, adequate and proper utility service to its customers.

<sup>&</sup>lt;sup>2</sup> On August 25, 2011 the Company filed a letter with the Board revising the effective date from August 29, 2011 to October 1, 2011. The Company further stated that although it revised its initial effective date from August 29, 2011 to October 1, 2011, the four (4) month suspension period will still run from August 29, 2011 through December 29, 2011.

On August 1, 2011, the Board transmitted this matter to the Office of Administrative Law ("OAL") for hearings and on September 22, 2011, the Board issued an Order suspending the Company's proposed rate increase until December 29, 2011<sup>2</sup>.

In light of the fact that this matter is still pending before the OAL, and that the proposed revisions will increase existing rates and change or alter existing classifications in Petitioner's tariff, it is HEREBY ORDERED that:

- (1) Pursuant to N.J.S.A. 48:2-21, the proposed revisions be, and are further suspended until April 29, 2011, unless the Board prior to that date, makes a determination disposing of the petition;
- (2) Petitioner shall, at least ten (10) days prior to the date set for hearing on the petition by the Office of Administrative Law, file with this Board and with the Office of Administrative Law (33 Washington Street, Newark N.J. 07102) proof of compliance with the Notice provisions of N.J.S.A 48:2-32.2 and N.J.A.C. 14:1-5.12 (b) and (c), which Notice shall include a statement that any relief found by the Board to be just and reasonable may be allocated by the Board to any class or classes of customers on any rate or schedule as the Board may determine; and
- (3) Petitioner shall serve copies of this Order upon the Office of Administrative Law, the Division of Rate Counsel (31 Clinton Street, P.O. Box 46005, Newark, NJ 07102), the clerk of each affected municipality, the clerk of the Boards of Chosen Freeholders of each affected county, and where appropriate, the executive officer of each affected county within its service area. Service of the petition, notice of hearings and this Order may be made simultaneously. Proof of service of this Order shall be filed with the Board within fifteen (15) days of the date of this Order.

This Order shall be effective on December 10, 2011.

DATED: 11/30/4

**BOARD OF PUBLIC UTILITIES** BY:

LEE A. SOLOMON

**PRESIDENT** 

NNE M. FO CMMMISSIONER JOSEPH L. FIORDALISO

COMMISSIONER

NICHOLAS **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 New Jersey-American Water Company, Inc. for Approval of Increased Tariff Rates and Charges for Water and Wastewater Service, Change in Depreciation Rates and Other Tariff Modifications BPU Docket No. WR11070460

## **SERVICE LIST**

Ira G. Megdal, Esq. Cozen O'Connor 457 Haddonfield Road P.O. Box 5459 Cherry Hill, NJ 08002 Kenneth J. Quinn, Esq. Middlesex Water Company 1500 Ronson Road Iselin, NJ 08830

Suzana Duby, Esq. Associate Corporate Counsel New Jersey-American Water Company, Inc. 167 J.F. Kennedy Parkway Short Hills, NJ 07078 Bradford M. Stern, Esq. Law Offices of Bradford M. Stern, LLC 22 Lakeview Hollow Cherry Hill, NJ 08003

Stefanie Brand, Esq., Director Paul Flanagan, Esq. Debra Robinson, Esq. Christine Juarez, Esq. Division of Rate Counsel 31 Clinton Street P.O. Box 46005 Newark, NJ 07102 Anthony R. Francioso, Esq. Fornaro Francioso, LLC Counsellors At Law Golden Crest Corporate Center 2277 State Highway 33, Suite 408 Hamilton, NJ 08690

Geoffrey Gersten, DAG
Caroline Vachier, DAG
Alex Moreau, DAG
Jennifer Hsai, DAG
Department of Law and Public Safety
Division of Law
124 Halsey Street, 5<sup>th</sup> Floor
P.O. Box 45029
Newark, NJ 07101

Walter G. Reinhard, Esq. Norris, McLaughlin & Marcus, P.A. 721 Route 202-206, Suite 200 P.O. Box 5933 Bridgewater, NJ 08807-5933

Maria Moran, Director N Marco Valdivia, Bureau Chief Michael Kammer, Supervising Administrative Analyst Board of Public Utilities Division of Water 44 S. Clinton Ave. P.O. Box 350 Trenton, New Jersey 08625

Colleen A. Foley, Esq. Saul Ewing, LLP One Riverfront Plaza, Suite 1520 Newark, NJ 07102-5426