

Agenda Date: 12/17/14 Agenda Item: VA

STATE OF NEW JERSEY Board of Public Utilities 44 South Clinton Avenue, 9th Floor Post Office Box 350 Trenton, New Jersey 08625-0350 www.nj.gov/bpu/

IN THE MATTER OF THE PETITION OF SHORELANDS WATER COMPANY FOR AN INCREASE IN RATES FOR WATER SERVICE AND OTHER TARIFF MODIFICATIONS WATER

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ORDER FURTHER SUSPENDING INCREASES, CHANGES OR ALTERATIONS IN RATES FOR SERVICE

DOCKET NO. WR14080905

Parties of Record:

Bruce S. Edington, Esq., on behalf of Shorelands Water Company Inc., Petitioner Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

On August 13, 2014, pursuant to <u>N.J.S.A.</u> 48:2-21, <u>N.J.A.C.</u> 14:1-5.12, and <u>N.J.A.C.</u> 14:9-7.1 <u>et.</u> <u>seq.</u>, Shorelands Water Company, Inc. ("Shorelands", "Company" or "Petitioner"), a public utility of the State of New Jersey subject to the jurisdiction of the Board of Public Utilities ("Board") filed a petition seeking to increase its rate for water service amounting to approximately \$1,017,052 or 9.86% above the annual revenues. The increase in rates is proposed to become effective on September 15, 2014¹. The Petitioner does not seek interim rate relief pending final determination on the petition.

The Company is engaged in the production, treatment and distribution of water to its customers. Specifically, Shorelands serves approximately 11,000 customers in its service territory which includes the Township of Hazlet and part or the Township of Holmdel; and connection service for bulk sales to the Borough of Keyport, the Township of Aberdeen, and New Jersey American Water Company, all of which are situated in the County of Monmouth and the State of New Jersey.

¹ On September 2, 2014, the Company filed a letter with the Board stating that it will not implement rates on an interim basis prior to the effective date of the Board's suspension Order resulting from the September 30, 2014 agenda meeting.

According to the petition, the rate increase is required to enable the Petitioner to continue to provide safe, adequate and proper service to customers; to offset expense increases experienced by Petitioner since its last rate increases; to establish an income level which will permit Petitioner to finance essential and continuing plant investment so as to comply with ongoing environmental and health regulations; to permit Petitioner to earn a fair and adequate rate of return on investment in property used and useful in public utility service; and to establish rates which will be sufficient to enable Petitioner to maintain financial integrity and to raise such funds as are necessary for the proper discharge its duties.

On September 9, 2014, the Board transmitted this matter to the Office of Administrative Law for hearings and on September 30, 2014, the Board issued an Order suspending the Company's proposed rate increase until January 15, 2015.

It light of the fact that this matter will not be completed by January 15, 2015, and that the proposed revisions will increase existing rates and change or alter existing classifications in Petitioner's tariff, it is <u>HEREBY</u> <u>ORDERED</u> that:

- Pursuant to <u>N.J.S.A.</u> 48:2-21, the proposed revisions be, and are further suspended until May 15, 2015, 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 <u>N.J.S.A.</u> 48:2-32.2 and <u>N.J.A.C.</u> 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 (140 East Front Street, 4th Floor. Post Office Box 003, Trenton, N.J. 08625), 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 27, 2014.

12/17/14 DATED:

BOARD OF PUBLIC UTILITIES BY:

RICHARD S. MROZ PRESIDENT

JOSEPH L. FIORDALISO

COMMISSIONER

DIANNE SOLOMON

COMMISSIONER

ATTEST:

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CÓMMISSIONER

UPENDRA J. CHIVUKULA COMMISSIONER

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