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**REMARKS OF KIMBERLY K. HOLMES,
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DIVISION OF THE RATE COUNSEL
PRESENTED BY GINA M. HUNT, ESQ.
ASSISTANT DEPUTY PUBLIC ADVOCATE**

**In The Matter of the Petition of Lawrenceville Water Company
for Approval of An Increase in its Rates For Water Service
BPU Docket No. WR07010062**

**Public Hearing
June 12, 2007
Lawrenceville, New Jersey
6:30 p.m.**

Good evening, everyone, my name is Gina M. Hunt. I am an attorney with the New Jersey Division of Rate Counsel ("Rate Counsel"). Rate Counsel represents and protects the interests of all utility consumers including residential customers, small business customers, small and large industrial customers, schools, libraries, and other institutions in our communities. Rate Counsel is a party in cases where New Jersey utilities seek changes in their rates or services. Rate Counsel also gives consumers a voice in setting long-range energy, water and

telecommunications policy that will affect the rendering of utility services well into the future.

In the present case, Lawrenceville Water Company (hereinafter referred to as “Lawrenceville” or the “Company”) is engaged in the business of treating and distributing water for retail service to approximately 2, 600 customers, both residential and commercial franchise customers, located in Lawrence Township, Mercer County, New Jersey the State of New Jersey .On January 31, 2007 the Company filed a petition with the New Jersey Board of Public Utilities (“Board” or “BPU”) seeking approval for an increase in rates, for water service of \$438,928 or approximately 47.91% in additional revenues per year.

The proposed water rate increase will increase both the fixed rate (which varies by meter size) and consumption charges. For example, for a 5/8” meter, the quarterly service charge will increase from \$18.63 to \$27.56. A residential customer using 18,000 gallons of water per quarter will see his or her bill increase from \$80.15 to \$118.56, an increase of \$38.41 per quarter, or approximately \$0.43 per day.

Lawrenceville claims that the additional revenues requested will enable the company to maintain a satisfactory credit position, to preserve its financial integrity, to permit proper maintenance, development and improvement of the utility plant required to furnish safe, adequate and proper service and to earn a

reasonable return upon the fair value of its property used and useful in the public service.

We at Rate Counsel, are conducting a comprehensive examination of the Lawrenceville proposal to verify the reasons for the increase in charges and to determine whether the Company's calculations are accurate. For example, we have issued questions to the Company, seeking to discover detailed information regarding the proposed increases, including the basis for the Company's calculations. The Company must justify its expenses and provide evidence to support its calculations. These are all factors to be considered when analyzing the Company's proposal.

Rate Counsel has attorneys and expert witnesses analyzing data from the Company to effectively examine the proposed pass-through of charges. Evidentiary hearings will be held at the Office of Administrative Law at which time we will cross-examine the Company's witnesses. It is important that you be aware that decisions regarding all rate modifications in New Jersey are made by the Board of Public Utilities.

The purpose of this open public hearing is for you, the customer, to voice your opinion, relate your experiences with the Company, and offer comments about the Company's proposed increase and any service problems you may be experiencing. It is important that you express your views, because they will

become part of the record on which the Board of Public Utilities makes its decisions. Rate Counsel also needs to hear your views in order to represent your interests in this legal process. We strongly encourage your participation, which will help us evaluate the Company's proposal and prepare for the evidentiary hearings.

This public hearing is being transcribed and your comments will become part of the record. The hearing officer will instruct you to give your name and address before you speak. I would like to reiterate the importance of your input so that Rate Counsel can have a clear record of your concerns and interests.

On behalf of Rate Counsel, I thank you for attending this public hearing.