



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)	ORDER ADOPTING
NEW JERSEY, INC. FOR APPROVAL OF AN)	INITIAL DECISION/STIPULATION
INCREASE IN RATES FOR WATER SERVICE)	
AND OTHER)	BPU DOCKET NO. WR07120955
TARIFF CHANGES)	OAL DOCKET NO. PUCRL 01211-2008N

(SERVICE LIST ATTACHED)

BY THE BOARD:

On December 21, 2007, pursuant to N.J.S.A. 48:2-21 and N.J.A.C. 14:1-5.12, and 14:9-7.1 et seq., Aqua New Jersey, Inc. (Aqua or Company) a public utility of the State of New Jersey subject to the jurisdiction of the Board of Public Utilities (Board), filed a petition seeking approval of an increase in rates for water service and to make other tariff changes. The Company also requested approval to implement a Distribution System Improvement Charge (DSIC).

The Company's initial rate request would have resulted in an increase in total Company revenues in the amount of \$7,022,552, or 28.06% over pro forma present rate revenues. During the pendency of this proceeding, the Company's request was revised to reflect a rate increase of \$6,865,338, or approximately 27.52% above adjusted test year revenues.

After extensive settlement discussions an increase of \$4,100,000 representing a 16.44% increase over total Company revenues, was agreed to by the Parties resulting in total Company revenues of \$24,942,506.

BACKGROUND/PROCEDURAL HISTORY

Aqua services more than 45,000 customers within certain portions of Burlington, Camden, Gloucester, Mercer, Warren, Hunterdon, Monmouth, Ocean and Sussex counties. The Company is engaged in the business of collecting, treating and distributing water for retail service. The Company is also engaged in the wastewater collection, treatment and transmission business and currently provides service to more than 4,000 customers. The rates for wastewater service are not the subject of this petition.

On January 8, 2008, this matter was transmitted to the Office of Administrative Law (OAL) where it was assigned to Administrative Law Judge (ALJ) Walter Braswell. A pre-hearing conference was conducted before ALJ Braswell on February 8, 2008. A public hearing was held on March 31, 2008 at the Hamilton Township Public Library, Hamilton, Mercer County. Several members from the public appeared; one member of the public spoke with respect to the proposed rate increase. Two members each from the municipalities of Robbinsville and Hamilton appeared and their comments were heard by the ALJ. The public comments centered on the magnitude of the increase requested by the Company.

The Parties to this proceeding are the Company, the Division of Rate Counsel, Board Staff (Staff) and the Intervenor, the Township of Robbinsville.

The Parties exchanged extensive discovery requests throughout this proceeding including a discovery conference was held on April 24, 2008. Subsequent to the public hearing and prior to evidentiary hearings in this matter, the Parties engaged in settlement negotiations on May 20, 2008. As the result of the discovery and settlement conferences, the Parties consisting of the Company, the Division of Rate Counsel and Board Staff reached a settlement on all issues and entered into a Stipulation (Stipulation or Settlement). A copy of this Stipulation is attached. The Intervenor, the Township of Robbinsville, submitted a letter (attached) neither opposing nor adopting the Stipulation.

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

DISCUSSIONS AND FINDINGS

As a result of the Stipulation negotiated between the Parties, the average bill for a single family residential customer with a 5/8" meter using 78,000 gallons of water per year will increase from the current rate of \$375.43 per year to \$440.24 per year, an increase of \$64.81 per year (\$16.20 per quarter) or approximately 17.26%.

Having reviewed ALJ Braswell's Initial Decision and the Stipulation among the Parties to this proceeding, the Board HEREBY FINDS that the Parties have voluntarily agreed to the Stipulation or have otherwise indicated no objection, and that the Stipulation fully disposes of all issues in this proceeding and is consistent with the law. The Board HEREBY FINDS the Initial Decision which adopts the Stipulation of Settlement to be reasonable and in the public interest.

Accordingly, the Board HEREBY ADOPTS the ALJ's Initial Decision and the Stipulation of Settlement, 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:

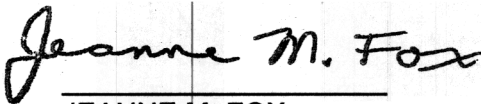
- a) The tariff sheets attached to the Stipulation containing rates and charges conforming to the Settlement and designed to produce the additional revenues to which the Parties had stipulated herein are HEREBY ACCEPTED;
- b) The Stipulated increase and the tariff design allocations for each customer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

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

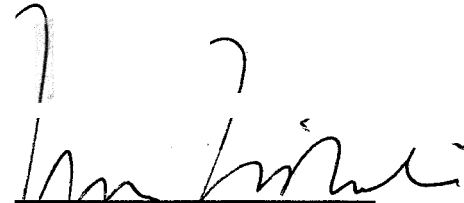
The Board HEREBY DIRECTS the Company to submit a complete revised tariff conforming to the terms and conditions of the stipulation and this Order within ten (10) days from the date of this Order.

DATED: 7/14/08

BOARD OF PUBLIC UTILITIES
BY:

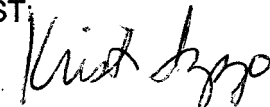

JEANNE M. FOX
PRESIDENT


FREDERICK F. BUTLER
COMMISSIONER

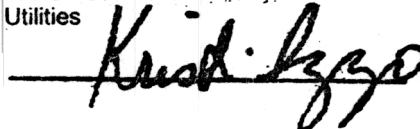

JOSEPH L. FIORDALISO
COMMISSIONER


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 AQUA NEW JERSEY, INC.
FOR APPROVAL OF AN INCREASE IN RATES FOR
WATER SERVICE AND OTHER TARIFF CHARGES

BPU Docket No. WR07120955
OAL Docket No. PUCRL 01211-2008N

SERVICE LIST

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

PETITION OF AQUA NEW JERSEY, INC. APPROVAL OF AN INCREASE IN RATES FOR WATER SERVICE AND OTHER TARIFF CHANGES	: BPU DOCKET NO. WR07120955 : OAL DKT. NO. PUCRL 01211-2008N : : STIPULATION OF SETTLEMENT
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APPEARANCES:

Stephen B. Genzer, Esq., and Colleen A. Foley, Esq., Saul Ewing LLP, on behalf of Aqua New Jersey, Inc., Petitioner

Arlene E. Pasko and Cynthia L. Miller, Deputy Attorneys General (Anne Milgram, Attorney General of New Jersey), on behalf of the Staff of the Board of Public Utilities

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

Anthony R. Francioso, Esq., Fornaro Francioso LLC, on behalf of Intervenor, Township of Robbinsville

TO THE HONORABLE BOARD OF PUBLIC UTILITIES:

The Parties in this proceeding are as follows: Aqua New Jersey, Inc. (the "Company" or "Petitioner"), the Department of the Public Advocate, Division of Rate Counsel ("Rate Counsel"), the Staff of the Board of Public Utilities ("Board" or "Staff"), and Intervenor, the Township of Robbinsville. As a result of an analysis of Petitioner's pre-filed testimony and exhibits, extensive discovery, a public hearing held on March 31, 2008, the Company, Board Staff and Rate Counsel (collectively, the "Signatory Parties") have come to an agreement on the issues in dispute in this matter. The Township of Robbinsville has provided a letter indicating

that while it does not object to the terms of this settlement, it will not be a Signatory Party to this agreement. The Signatory Parties hereto agree and stipulate as follows:

The procedural history of this matter is as follows:

On December 21, 2007, Petitioner, a public utility corporation of the State of New Jersey, pursuant to N.J.S.A. 48:2-21 and N.J.A.C. 14:1-5.12 and 14:9-7 *et seq.*, filed a petition to increase rates for water service and to make other tariff changes. Specifically, the Company requested a rate increase of \$7,022,552 or approximately 28.06% above the adjusted annual level of revenues for the test year ending April 30, 2008. During the pendency of this proceeding, the Company's request was revised to reflect a rate increase of \$6,865,388 or approximately 27.52% above adjusted test year revenues.

On January 8, 2008, the Board transmitted the matter to the Office of Administrative Law ("OAL"), and Administrative Law Judge ("ALJ") Walter M. Braswell was assigned to hear the case. On January 18, 2008, the Board entered an Order suspending until May 19, 2008, the implementation of changes Aqua sought to make to its tariffs. A Pre-Hearing Conference was convened by ALJ Braswell on February 8, 2008, and a Pre-Hearing Order was issued on February 28, 2008. On May 9, 2008, the Board issued a second order suspending the implementation of proposed rates until September 19, 2008.

Extensive discovery was conducted by the Parties with the Company providing responses to hundreds of data requests. After proper notice, a public hearing was held in the service territory on March 31, 2008, at the Hamilton Public Library. One member of the public and representatives of two municipalities appeared and their comments were heard by the Signatory Parties and the ALJ. The public comments generally concerned the magnitude of the increase requested by the Company.

Settlement discussions were held, and the agreements reached during those discussions have resulted in the following stipulation by the Signatory Parties

For purposes of this proceeding only, the Company's total rate base is agreed to be \$91,700,000.

2. The Signatory Parties agree, for the purposes of this proceeding only, to utilize an overall rate of return of 8.09%, which would result in an overall additional revenue requirement of \$4,100,000. For the purposes of this proceeding only, this overall rate of return is calculated using the Company's current capital structure with long term debt calculated at a rate of 6.06% and equity calculated at a rate of 10.00%.

3 The Signatory Parties stipulate that a revenue increase for the Company of \$4,100,000 or approximately 16.44% over present rate revenues of \$24,944,990 is an appropriate result of this matter. The Company anticipates this increase being effective on, or about, July 10, 2008, nonetheless the Company recognizes the effective date will be that designated in the BPU Order. The Signatory Parties agree that this revenue requirement should represent a level of revenues necessary to ensure that the Company will continue to provide safe, adequate, and proper water service to its customers.

4. The Signatory Parties agree that the attached tariff pages (included as Exhibit A), implementing the terms of this Stipulation, should be adopted by the Board in their entirety. Attached as Exhibit B is a Proof of Revenues for the Company.

5 The Signatory Parties agree that the Company's request for a Distribution System Improvement Charge ("DSIC") will not be addressed in this proceeding.

6. The Company commits to developing a long-term approach to addressing the level of non-revenue water, and to confer with the other Signatory Parties in identifying cost-effective strategies for reducing the level of non-revenue water.

7. The Signatory Parties agree that Company's request to update the baseline data required to implement a purchased water adjustment clause pursuant to N.J.A.C. 14:9-7 et seq. will not be addressed in this proceeding.

8. The Signatory Parties acknowledge that the Company has been mandated by the New Jersey Department of Environmental Protection ("DEP"), Bureau of Water Allocation Permit #5383, dated December 29, 2005, to construct a pipeline to provide additional water supply to Woolwich Township. The Signatory Parties further acknowledge that the Company has sought in this proceeding a finding from the Board as to the need for the proposed pipeline. The Signatory Parties agree that such a finding cannot be made at this time because the Company is currently evaluating alternatives to the construction of the proposed pipeline. The Company agrees to provide the Signatory Parties with reports as to its progress in considering alternatives to the proposed pipeline, so that new information can be used to address the issue of how to most effectively and economically remain in compliance with its DEP Permit and address the supply needs of the Company's customers.

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.

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.

AQUA NEW JERSEY, INC

June 16, 2008
Date

By:


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

ANNE MILGRAM, ESQ.
ATTORNEY GENERAL OF NEW JERSEY

Date

By:

Arlene E. Pasko, Esq.
Deputy Attorney General

RONALD K. CHEN
PUBLIC ADVOCATE OF NEW JERSEY
DEPARTMENT OF THE PUBLIC ADVOCATE
STEFANIE A. BRAND, ESQ.
DIRECTOR, RATE COUNSEL

Date

By:

Susan E. McClure, Esq.
Assistant Deputy Public Advocate

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AQUA NEW JERSEY, INC

Date

By:

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

ANNE MILGRAM, ESQ.
ATTORNEY GENERAL OF NEW JERSEY

6/17/08
Date

By:

Arlene E. Pasko
Arlene E. Pasko, Esq.
Deputy Attorney General

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DEPARTMENT OF THE PUBLIC ADVOCATE
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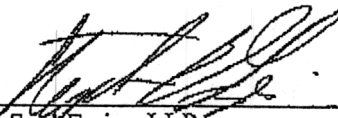
Susan E. McClure, Esq.
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AQUA NEW JERSEY, INC.

June 16, 2008
Date

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Saul Ewing LLP
Stephen B. Genzer, Esq.
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ANNE MILGRAM, ESQ.
ATTORNEY GENERAL OF NEW JERSEY

Date

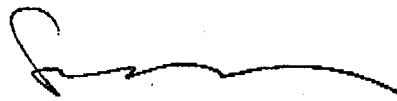
By:

Arlene E. Pasko, Esq.
Deputy Attorney General

RONALD K. CHEN
PUBLIC ADVOCATE OF NEW JERSEY
DEPARTMENT OF THE PUBLIC ADVOCATE
STEFANIE A. BRAND, ESQ.
DIRECTOR, RATE COUNSEL

June 17, 2008
Date

By:



Susan E. McClure, Esq.
Assistant Deputy Public Advocate

EXHIBIT A

TARIFFS

AQUA NEW JERSEY, INC.
B.P.U. NO. 17 - WATER

SEVENTH REVISED SHEET NO. 4
SUPERSEDING SIXTH REVISED SHEET NO. 4

RATE SCHEDULE NO. 1
GENERAL METERED SERVICE

APPLICABILITY

Applicable to the use of water supplied through meters to all customers served by the Company, except in Fredon Township, Sussex County.

CHARACTER OF SERVICE

Continuous.

RATE

<u>Size of Meter</u>	<u>Fixed Service Charge</u>	
	<u>Amount Per Quarter</u>	<u>Amount Per Month</u>
5/8" or 5/8" x 3/4"	\$ 29.67	\$ 9.89
3/4"	44.52	14.84
1"	74.19	24.73
1 1/2"	148.35	49.45
2"		
3"		
4"		
6"	1,483.50	494.50
8"	2,373.60	791.20
10"	2,967.00	989.00
12"	3,708.75	1,236.25

	<u>Usage Charge</u>	
	<u>Rate/1000 Gallons</u>	<u>Rate/100 Cubic Feet</u>
General Metered Consumption	\$ 4.12254	\$ 3.08366

TERMS OF PAYMENT:

BILLS ARE DUE FIFTEEN (15) DAYS AFTER THE BILL IS SENT. Bills for metered service will be rendered either quarterly or monthly in arrears at the option of the Company.

Issued July XX, 2008

Effective Date: July XX, 2008

By: William B. Davis, President
10 Black Forest Road
Hamilton, NJ 08691

The State of New Jersey enacted Chapter 443 of the Laws of New Jersey 1983 concerning the periodic testing of public water supplies which establishes a water tax of \$0.01 per 1,000 gallons of water. This water tax is reflected and included in the above rates.

Filed pursuant to decision and order of the Board of Public Utilities dated July XX, 2008 in Docket No. WR07120955.

AQUA NEW JERSEY, INC.
B.P.U. NO. 17 - WATER

FIRST REVISED SHEET NO. 5
SUPERSEDING ORIGINAL SHEET NO. 5

Issued: July XX, 2008

Effective Date: July XX, 2008

By: William B. Davis, President
10 Black Forest Road
Hamilton, NJ 08691

The State of New Jersey enacted Chapter 443 of the Laws of New Jersey 1983 concerning the periodic testing of public water supplies which establishes a water tax of \$0.01 per 1,000 gallons of water. This water tax is reflected and included in the above rates.

Filed pursuant to decision and order of the Board of Public Utilities dated July XX, 2008 in Docket No. WR07120955.

AQUA NEW JERSEY, INC.
B.P.U. NO. 17 - WATER

EIGHTH REVISED SHEET NO. 5
SUPERSEDING SEVENTH REVISED SHEET NO. 6

RATE SCHEDULE NO. 2
PRIVATE FIRE PROTECTION SERVICE

APPLICABILITY:

Applicable to all customers served by the Company for private fire protection service, except in the Township of Berkeley, Ocean County.

CHARACTER OF SERVICE:

The Company will use due diligence at all times to provide customers service of the character or quality proposed to be supplied, but in case the service shall be interrupted or irregular or defective or fail, the Company shall be liable and obligated only to use reasonably diligent efforts in the light of the circumstances then existing to restore service or to correct its characteristics.

RATE:

Sprinkler connections including hoses or hydrants connected to them.

Size of Service	Per Quarter	Per Month
2" or Less	\$ 0.00	\$ 0.00
3"	241.67	80.56
4"	402.80	134.27
6"		
8"	1,608.91	536.30
10"	2,514.06	838.02
12"	3,620.61	1,206.87

MINIMUM CHARGE:

None

TERMS OF PAYMENT:

BILLS ARE DUE FIFTEEN (15) DAYS AFTER THE BILL IS SENT. Bills are rendered either quarterly or monthly in arrears at the option of the Company.

Issued: July XX, 2008

Effective Date: July XX, 2008

By: William B. Davis, President
10 Black Forest Road
Hamilton, NJ 08691

Filed pursuant to decision and order of the Board of Public Utilities dated July XX, 2008, in Docket No. WR17120955.

SPECIAL PROVISIONS:

Private fire service lines shall be equipped with special meters or detection devices and are to be used exclusively for fire protection purposes. No water shall be used through these fire protection connections except for testing purposes or in case of fire. However, the water company shall be notified at least 72 hours (3 days) prior to the testing of any fire protection connection; and shall be given the opportunity to witness said test.

When hydrants are attached between the main and the meter, a charge of \$476.47 per year per hydrant will be made. The installation and maintenance of fire hydrants and the supplying of water through such hydrants is for the sole use of authorized fire-fighting personnel for the control and extinguishment of any fire.

No additional charge shall be made for water used in testing or for fire. However, should it be determined by the water company that water is being, or has been, used through a fire protection connection for other than fire protection or testing purposes, the water company shall have the right to charge for the water used based on its "General Metered Service" tariff and to order said unauthorized use to cease immediately subject to the termination of the service.

Issued: July XX, 2008

Effective Date: July XX, 2008

By: William B. Davis, President
10 Black Forest Road
Hamilton, NJ 08691

Filed pursuant to decision and order of the Board of Public Utilities dated July XX, 2008, in Docket No. WR17120955.

AQUA NEW JERSEY, INC.
B.P.U. NO. 17 - WATER

SECOND REVISED SHEET NO. 6
SUPERSEDING FIRST REVISED SHEET NO. 7

RATE SCHEDULE NO. 3
PRIVATE FIRE PROTECTION SERVICE

APPLICABILITY:

Applicable to all customers served by the Company for private fire protection service in the Township of Berkeley, Ocean County.

CHARACTER OF SERVICE:

The Company will use due diligence at all times to provide customers service of the character or quality proposed to be supplied, but in case the service shall be interrupted or irregular or defective or fail, the Company shall be liable and obligated only to use reasonably diligent efforts in the light of the circumstances then existing to restore service or to correct its characteristics.

RATE:

Sprinkler connections including hoses or hydrants connected to them.

Size of Service	Per Quarter	Per Month
2" or Less	\$ 0.00	\$ 0.00
3"	149.74	49.91
4"		
6"		
8"		
10"	1,917.53	639.17

MINIMUM CHARGE:

None

TERMS OF PAYMENT:

BILLS ARE DUE FIFTEEN (15) DAYS AFTER THE BILL IS SENT. Bills are rendered either quarterly or monthly in arrears at the option of the Company.

Issued: July XX, 2008

Effective Date: July XX, 2008

By: William B. Davis, President
10 Black Forest Road
Hamilton, NJ 08691

Filed pursuant to decision and order of the Board of Public Utilities dated July XX, 2008, in Docket No. WR17120955.

SPECIAL PROVISIONS:

Private fire service lines shall be equipped with special meters or detection devices and are to be used exclusively for fire protection purposes. No water shall be used through these fire protection connections except for testing purposes or in case of fire. However, the water company shall be notified at least 72 hours (3 days) prior to the testing of any fire protection connection; and shall be given the opportunity to witness said test.

When hydrants are attached between the main and the meter, a charge of \$476.47 per year per hydrant will be made. The installation and maintenance of fire hydrants and the supplying of water through such hydrants is for the sole use of authorized fire-fighting personnel for the control and extinguishment of any fire.

No additional charge shall be made for water used in testing or for fire. However, should it be determined by the water company that water is being, or has been, used through a fire protection connection for other than fire protection or testing purposes, the water company shall have the right to charge for the water used based on its "General Metered Service" tariff and to order said unauthorized use to cease immediately subject to the termination of the service.

Issued: July XX, 2008

Effective Date: July XX, 2008

By: William B. Davis, President
10 Black Forest Road
Hamilton, NJ 08691

Filed pursuant to decision and order of the Board of Public Utilities dated July XX, 2008, in Docket No. WR17120955.

RATE SCHEDULE NO. 4
PUBLIC FIRE PROTECTION SERVICE

APPLICABILITY:

This schedule is applicable to all fire protection service rendered to any city, town, village, fire district, or other political subdivision within Phillipsburg Town, parts of Pohatcong Township, Lopatcong, Greenwich, and Harmony Townships, all in Warren County; Holland Township, Lebanon Township, and the Borough of Califon in Hunterdon County, for purposes of public safety.

CHARACTER OF SERVICE:

The installation and maintenance of fire hydrants, and the supplying of water through such hydrants, is for the sole use of authorized fire-fighting personnel for the control and extinguishment of any fire. The Company will use due diligence at all times to provide continuous service of the character or quality proposed to be supplied, but in case the service shall be interrupted or irregular or defective or fail, the Company shall be liable and obligated only to use reasonably diligent efforts in the light of the circumstances then existing to restore service or to correct its characteristics.

RATE:

1. Hydrant Charge

For each fire hydrant installed there shall be made an Annual Fire Protection Charge of \$146.16

2. Inch-Foot Charge

In addition to all charges made for fire hydrants, for each "inch-foot" unit of main of 6" nominal diameter or larger installed as of the beginning of each calendar quarter in any public highway, street, road, or way, in any public utility easement or right-of-way, within the geographic bounds of any city, town, village, or other political subdivision to which such service is rendered, there shall be made an Annual Fire Protection Charge of \$0.06013

3. For municipalities that have a total of five fire hydrants or less, an alternative Hydrant Charge that eliminates the inch foot charge will be made. Annual Fire Protection Charge shall be \$697.49/hydrant.

Issued: July XX, 2008

Effective Date: July XX, 2008

By: William B. Davis, President
10 Black Forest Road
Hamilton, NJ 08691

Filed pursuant to decision and order of the Board of Public Utilities dated July XX, 2008, in Docket No. WR17120955.

4. Terms of Payment

All bills for municipal fire protection shall be rendered net quarterly, in arrears, and shall become due and payable FIFTEEN (15) DAYS AFTER THE BILL IS SENT.

5. Special Provisions

All hydrants, lead valves, branches and other appurtenances shall be and remain the property of the Company.

Issued: July XX, 2008

Effective Date: July XX 2008

By: William B. Davis, President
10 Black Forest Road
Hamilton, NJ 08691

Filed pursuant to decision and order of the Board of Public Utilities dated July XX, 2008, in Docket No. WR17120955.

RATE SCHEDULE NO. 5
PUBLIC FIRE PROTECTION SERVICE

APPLICABILITY:

This schedule is applicable to all fire protection service rendered to any city, town, village, fire district, or other political subdivision within Hamilton and Robbinsville Townships, Mercer County; Upper Freehold Township, Monmouth County; Chesterfield Township, North Hanover Township, Burlington County; Gloucester Township, Camden County; Woolwich Township, Gloucester County, for purposes of public safety.

CHARACTER OF SERVICE:

The installation and maintenance of fire hydrants, and the supplying of water through such hydrants, is for the sole use of authorized fire-fighting personnel for the control and extinguishment of any fire. The Company will use due diligence at all times to provide continuous service of the character or quality proposed to be supplied, but in case the service shall be interrupted or irregular or defective or fail, the Company shall be liable and obligated only to use reasonably diligent efforts in the light of the circumstances then existing to restore service or to correct its characteristics.

RATE:

1. Hydrant Charge

For each fire hydrant installed there shall be made an Annual Fire Protection Charge of \$140.30

2. Inch-Foot Charge

In addition to all charges made for fire hydrants, for each "inch-foot" unit of main of 6" nominal diameter or larger installed as of the beginning of each calendar quarter in any public highway, street, road, or way, in any public utility easement or right-of-way, within the geographic bounds of any city, town, village, or other political subdivision to which such service is rendered, there shall be made an Annual Fire Protection Charge of \$0.06702

3. For municipalities that have a total of five fire hydrants or less, an alternative Fire Hydrant charge that eliminates the inch foot charge will be made. Annual Fire Protection Charge shall be \$697.49/hydrant.

Issued: July XX, 2008

Effective Date: July XX, 2008

By: William B. Davis, President
10 Black Forest Road
Hamilton, NJ 08691

Filed pursuant to decision and order of the Board of Public Utilities dated July XX, 2008, in Docket No. WR17120955.

4. Terms of Payment

All bills for municipal fire protection shall be rendered net quarterly, in arrears, and shall become due and payable FIFTEEN (15) DAYS AFTER THE BILL IS SENT.

5. Special Provisions

All hydrants, lead valves, branches and other appurtenances shall be and remain the property of the Company.

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10 Black Forest Road
Hamilton, NJ 08691

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AQUA NEW JERSEY, INC.
B.P.U. NO. 17 - WATER

SECOND REVISED SHEET NO. 9
SUPERSEDING FIRST REVISED SHEET NO. 10

RATE SCHEDULE NO. 6
PUBLIC FIRE PROTECTION SERVICE

APPLICABILITY:

This schedule is applicable to all fire protection service rendered to any city, town, village, fire district, or other political subdivision within the Township of Berkeley, Ocean County.

CHARACTER OF SERVICE:

The installation and maintenance of fire hydrants, and the supplying of water through such hydrants, is for the sole use of authorized fire-fighting personnel for the control and extinguishment of any fire. The Company will use due diligence at all times to provide continuous service of the character or quality proposed to be supplied, but in case the service shall be interrupted or irregular or defective or fail, the Company shall be liable and obligated only to use reasonably diligent efforts in the light of the circumstances then existing to restore service or to correct its characteristics.

RATE:

1. Hydrant Charge

For each fire hydrant installed there shall be made an Annual Fire Protection Charge of \$157.00

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AQUA NEW JERSEY, INC.
B.P.U. NO. 17 - WATER

SECOND REVISED SHEET NO. 9A
SUPERSEDING FIRST REVISED SHEET NO. 10A

4. Terms of Payment

All bills for municipal fire protection shall be rendered net quarterly, in arrears, and shall become due and payable FIFTEEN (15) DAYS AFTER THE BILL IS SENT.

5. Special Provisions

All hydrants, lead valves, branches and other appurtenances shall be and remain the property of the Company.

Issued: July XX, 2008

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By: William B. Davis, President
10 Black Forest Road
Hamilton, NJ 08691

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AQUA NEW JERSEY, INC.
B.P.U. NO. 17 - WATER

EIGHTH REVISED SHEET NO. 10
SUPERSEDING SEVENTH REVISED SHEET NO. 11

RATE SCHEDULE NO. 7
SERVICE CHARGE

TERMINATION AND RESUMPTION OF SERVICE:

For resumption of service after discontinuance of service due to non-payment, and for resetting a meter outside the normal business hours, there shall be a charge of: \$50.00

BAD CHECK CHARGE:

For the receipt of a negotiable instrument from a customer in payment of a bill, charge, or deposit due and such instrument is subsequently dishonored or uncollectible for any reason, the Company shall charge a handling charge equal to the costs incurred by the Company from the financial institution.
.....

NON-STANDARD METER CONNECTION:

For metered connections which are set up for the temporary, short term sale of water such as to contractors, lawn care specialists, etc.; the Company shall charge a \$25.00 fixed service charge plus a charge for the water taken based on its "General Metered Service" tariff. The Company shall have the right to designate where, how, when and if such water may be obtained. Anyone being given permission to obtain water in such a manner must have in place a mechanism acceptable to the Company that will assure against the backflow of water into the Company's system.

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10 Black Forest Road
Hamilton, NJ 08691

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AQUA NEW JERSEY, INC.
B.P.U. NO. 17 - WATER

EIGHTH REVISED SHEET NO. 11
SUPERSEDING SEVENTH REVISED SHEET NO. 12

RATE SCHEDULE NO. 8
WATER SOLD FOR RESALE ONLY

APPLICABILITY:

Applicable to water sold for resale only, within all territories served by the Company, except in the Township of Berkeley, Ocean County, and Fredon Township, Sussex County, and which is exempt from the water tax as established by enactment of Chapter 443 of the Laws of New Jersey 1983.

CHARACTER OF SERVICE:

Continuous

RATE:

Size of Meter	Fixed Service Charge	
	Amount Per Quarter	Amount Per Month
5/8" or 3" x 3/4"	\$ 29.67	\$ 9.89
3/4"	44.52	
1"	74.19	24.73
1 1/2"	148.35	49.45
2"		
3"		
4"		
6"	1,483.50	494.50
8"	2,373.60	791.20
10"	2,967.00	989.00
12"	3,708.75	1,236.25

	Usage Charge	
	Rate/1000 Gallons	Rate/100 Cubic Feet
General Metered Consumption	\$ 4.11254	\$ 3.07617

TERMS OF PAYMENT:

BILLS ARE DUE FIFTEEN (15) DAYS AFTER THE BILL IS SENT. Bills for metered water service will be rendered either quarterly or monthly in arrears at the option of the Company.

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Hamilton, NJ 08691

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RIDER ED
ECONOMIC DEVELOPMENT PROGRAM

APPLICABILITY

Customers receiving service under Rate Schedules No 1 and No. 2

CHARACTER OF SERVICE

Commitments for service under third provision will be made available to qualifying customers.

CREDIT

A credit equal to 65% of the eligible portion of a customer's consumption charge(s) as described below for the newly constructed, leased or purchased space, as determined by AQUA NEW JERSEY, INC., will be applied to the customer's monthly water bills for the first year, decreasing to 45% in the second year, 25% in the third year, 10% in the fourth year and no reduction in subsequent years. The credit must commence within nine months after receiving written commitment from AQUA NEW JERSEY, INC. for Economic Development Program. In no case shall application of this Service result in a negative charge for consumption.

For new customers, the credit shall apply to all consumption subject to certain caps as measured by AQUA NEW JERSEY, INC.. A new customer, for purposes of this Service, shall be defined as a customer who has not previously received water from AQUA NEW JERSEY, INC. within the previous two years, or whose newly leased or purchased space is separately metered

For existing customers, the credit shall apply only to that consumption, as measured by AQUA NEW JERSEY, INC., which is in excess of the highest comparable consumption during the most recent 10 year period without such expansion. Existing customers shall also be subject to the caps on eligible consumption. An existing customer for purposes of this Service, shall be defined as a customer whose newly leased or purchased space is not separately metered from the existing service.

The Company reserves the right, after proper notification to the Board of Public Utilities, to cancel this tariff at any time for new applicants. The Company also reserved the right to determine the bona fide nature of any applicant wishing to utilize this tariff. This tariff shall be open for a minimum of two years subject to the caps on eligible consumption.

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10 Black Forest Road
Hamilton, NJ 08691

Filed pursuant to decision and order of the Board of Public Utilities dated July XX, 2008, in Docket No. WR17120955.

ADDITIONAL CREDIT

An additional credit of 5% per year for the first four years will be added to the above credit for all its customers who qualify for the Economic Development Program and are also in a "priority location" (Urban Enterprise Zones) as defined by the New Jersey Economic Development Authority. The credit would be based on the same parameters as above and equate to a 70% credit for the first year, 50% for the second year, 30% for the third year, and 15% for the fourth and final year.

ELIGIBILITY

Each customer will be required to sign an Application for Economic Development Service including an estimate of additional consumption. The customer will also be required to participate in a conservation audit performed by the Company. The customer must remain on the same rate schedule as in the base year period throughout the four-year term of the program. AQUA NEW JERSEY, INC., upon verification of eligibility, will provide the customer with a written commitment for Economic Development Program Service.

To be eligible, a customer must lease or purchase new or vacant space for manufacturing, retail, research and development, office or warehousing. The effective date of the lease or purchase must be after the date of this rate schedule. The total additional leased or purchased building space must equal or exceed 2,000 square feet.

Qualifying vacant building space must be vacant for a minimum of six months, as determined by AQUA NEW JERSEY, INC., prior to receiving a commitment for the Economic Development Program.

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Customer must be adding at least two permanent full-time employees (owner included) to their payroll at the site receiving Economic Development Program Service. Relocation or consolidation of employees based in AQUA NEW JERSEY, INC.'s service territory without employment growth, will not qualify. Employment growth will be confirmed by AQUA NEW JERSEY, INC. in conjunction with the New Jersey Department of Labor and/or affidavit from the customer. AQUA NEW JERSEY, INC. reserves the right, at its discretion to periodically verify employment increases and sustained level of employment. If after verification the required employment level has not been sustained, Rider ED will no longer be applicable.

The Company reserves the right, after proper notification to the Board of Public Utilities, to cancel this tariff at any time for new applicants. The Company also reserves the right to determine the bona fide nature of any applicant wishing to utilize this tariff. This tariff shall be open for a minimum of two years subject to the caps on eligible consumption.

LIMITATIONS OF SERVICE

This service is not available to federal, state, county or local government or governmental entities. In addition, the Company shall limit eligibility into the pilot economic development program so that the following total maximum consumption factors should not be exceeded:

a) The Company shall limit its economic development discounts so that, over a period of 12 consecutive months, to be measured at the end of each month, the Company sells no more than 52 million gallons under the Economic Development Rider. If the 52 million gallon cap is exceeded in any 12 month period, then the Company shall immediately cease accepting new applicants under the Economic Development Rider.

b) There shall be a cap on the discount for all water sold per month to any individual customer as follows:

i) no more than 15,000 gallons per month shall be subject to discount under the Economic Development Rider for customers having a meter size of less than one inch.

ii) no more than 30,000 gallons per month shall be subject to discount under the Economic Development Rider for customers having a meter size of one inch, 1.5 inches, or two inches.

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Hamilton, NJ 08691

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iii) no more than 60,000 gallons per month shall be subject to discount under the Economic Development Rider for customers having a meter size of three inches or larger.

However, no eligible customer who is served under this tariff shall be denied the full benefit of the four year duration of the discounts under this pilot program.

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EXHIBIT B

PROOF OF REVENUES

Aqua New Jersey, Inc.
Rate Counsel Proposed Settlement Rates
and Proof of Revenue

Page 2 of 2

DETAIL	Number of Quart. Bills*	Present Rate	Present Revenue	Recommended Rate	Recommended Revenue	% Increase
Fixed Charges	(1)	(2)	(3)	(4)	(5)	(6)
<i>ALL GMS</i>						
5/8"	163,213	\$25.24	\$4,119,488	\$29.67	\$4,842,520	17.55%
3/4"	13,522	\$37.86	\$511,935	\$44.52	\$601,990	17.59%
1"	3,797	\$63.10	\$239,616	\$74.19	\$281,729	17.58%
1 1/2"	1,234	\$126.19	\$155,713	\$148.35	\$183,057	17.56%
2"	1,779	\$201.90	\$359,238	\$237.36	\$422,331	17.56%
3"	191	\$378.56	\$72,329	\$445.05	\$85,033	17.56%
4"	100	\$630.94	\$62,787	\$741.75	\$73,814	17.56%
6"	64	\$1,261.88	\$80,367	\$1,483.50	\$94,481	17.56%
8"	44	\$2,019.00	\$88,403	\$2,373.60	\$103,929	17.56%
10"	4	\$2,523.75	\$10,046	\$2,967.00	\$11,810	17.56%
12"	0	\$3,154.69	\$0	\$3,708.75	\$0	17.56%
Subtotal			\$5,699,922		\$6,700,695	17.56%
<i>RESALE</i>						
5/8"	0	\$25.24	\$0	\$29.67	\$0	17.55%
3/4"	0	\$37.86	\$0	\$44.52	\$0	17.59%
1"	0	\$63.10	\$0	\$74.19	\$0	17.58%
1 1/2"	0	\$126.19	\$0	\$148.35	\$0	17.56%
2"	0	\$201.90	\$0	\$237.36	\$0	17.56%
3"	0	\$378.56	\$0	\$445.05	\$0	17.56%
4"	0	\$630.94	\$0	\$741.75	\$0	17.56%
6"	0	\$1,261.88	\$0	\$1,483.50	\$0	17.56%
8"	0	\$2,019.00	\$0	\$2,373.60	\$0	17.56%
10"	0	\$2,523.75	\$0	\$2,967.00	\$0	17.56%
12"	0	\$3,154.69	\$0	\$3,708.75	\$0	17.56%
Subtotal			\$0		\$0	

Source: Billing Determinants tie to Exhibits P-17 & P-18 revenues.

<u>Summary</u>			
Metered Sales	\$21,742,301	\$25,570,736	17.61%
Public Fire	\$1,942,332	\$2,020,059	4.00%
Private Fire	\$1,100,909	\$1,294,760	17.61%
Resale	\$0	\$0	
Miscellaneous et. al.	\$159,447	\$159,447	0.00%
TOTAL	\$24,944,990	\$29,045,002	16.44%
Target		\$29,044,990	
Difference		\$12	



FORNARO FRANCIOSO LLC
COUNSELLORS AT LAW

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BILL BARONI⁰

*MEMBERS OF THE NEW JERSEY & PENNSYLVANIA BAR
⁰MEMBER OF THE NEW JERSEY & DISTRICT OF COLUMBIA BAR

June 17, 2008

The Honorable Walter M. Braswell
Administrative Law Judge
Office of the Administrative Law
33 Washington Street
Newark, New Jersey 07102

RE: I/M/O The Petition of Aqua New Jersey Inc., for Approval of an Increase in Rates for Water
Service and Other Tariff Changes
BPU Docket No. WR07120955
OAL Docket No. PUCRL 01211-2008N

Dear Judge Braswell:

FORNARO FRANCIOSO LLC represents the Township of Robbinsville in the above referenced public utility rate matter. As special counsel for the Township of Robbinsville, I am able to advise the Court that while the Township of Robbinsville will not be executing the proposed Stipulation, the Township of Robbinsville will not oppose same.

Thank you for Your Honor's consideration to the foregoing.

Respectfully submitted,
FORNARO FRANCIOSO LLC

Anthony R. Francioso, Esq.

ARF/id

cc: Service List
David Fried, Mayor

H:\Clients\Robbinsville Township\2008 Aqua NJ Rate Case\Correspondence\AJJ Braswell Stipulation Letter .wpd