



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
CRESTWOOD VILLAGE WATER COMPANY)	DECISION/STIPULATION
FOR AN INCREASE IN RATES AND)	
CHARGES FOR WATER SERVICE)	BPU DKT. NO. WR07090706
		OAL DKT. NO. PUCRS 08543-2007S

(SERVICE LIST ATTACHED)

BY THE BOARD:

On September 26, 2007, Crestwood Village Water Company ("the Company"), a public utility of the State of New Jersey, filed a petition with the Board of Public Utilities ("Board"), pursuant to N.J.S.A. 48:2-21 and N.J.A.C. 14:1-5.12, seeking to increase its rates and charges for water service.

The Company requested an overall increase in revenues in the amount of \$988,332, or 68.8% over pro forma present rate revenues. The Company updated its financial position and filed an amended revenue requirement proposal which modified its request based on 2007 actual data and increased its revenue requirement to \$1,092,917, or 78.7% over pro forma present rate revenues.

After extensive settlement discussions, an increase of \$929,056, representing a 64.63% increase over total Company revenues, was agreed to by the Parties, resulting in total Company revenues of \$2,366,642. The stipulation of settlement will be phased in over two periods. The first phase in will occur as of the effective date of this Order and will be in the amount of \$464,528. The second phase in will occur one year after the effective date of this Order and will be in the amount of \$464,528.

BACKGROUND/PROCEDURAL HISTORY

Petitioner is a public water utility that provides water service to approximately 9,711 customers in certain portions of the Township of Manchester, Ocean County, New Jersey.

On October 25, 2007, the Board suspended Petitioner's proposed increase in rates until February 9, 2008. Petitioner's requested increase in rates was further suspended by the Board

at its February 27, 2008, Agenda Meeting and Order dated March 4, 2008, until June 29, 2008, unless the Board prior to that date made a determination disposing of the petition.

On October 5, 2007, the Board transmitted the matter to the Office of Administrative Law as a contested case, where the matter was assigned to the Honorable Douglas H. Hurd, Administrative Law Judge (ALJ).

On November 29, 2007, a telephone pre-hearing conference was held in which counsel for the Company and the statutory parties to the case, the Department of the Public Advocate, Division of Rate Counsel ("DPA" or "Rate Counsel") and Board Staff ("Staff") participated ("the Parties"). There were no intervenors in this matter. ALJ Hurd scheduled the date for a public hearing and dates for evidentiary hearings.

On February 28, 2008, a public hearing was held at the America's Keswick, Keswick Grove Activity Center in Whiting, New Jersey, within Petitioner's service area. Numerous members of the public appeared to provide comments. The comments reflected concerns about the level of the proposed rate increase and the financial impact of higher rates on the customers.

The Parties exchanged extensive discovery throughout this proceeding. Subsequent to the public hearing and prior to the scheduled evidentiary hearings, the Parties held a discovery and settlement conference on May 15, 2008. As a result of the discovery and settlement conference, the Parties reached a settlement on all issues and entered into a Stipulation of Settlement ("Stipulation" or "Settlement"). A copy of this Stipulation is attached.

ALJ Hurd 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 all parties, the average bill for a single family residential customers with a 5/8" meter using 40,000 gallons of water per year will increase from the current rate of \$126.92 per year to \$169.40 per year (Phase I increase), an increase of \$42.48 per year (\$14.16 per quarter) or approximately 33.47%. For the Phase II increase, the average bill for a single family residential customer will increase from the Phase I rate increase of \$169.40 per year to \$211.88 per year, an increase of \$42.48 per year, (\$14.16 per quarter) or approximately 25.08%.

Having reviewed ALJ Hurd's Initial Decision and the Stipulation of Settlement among the Parties to this proceeding, the Board HEREBY FINDS that the Parties have voluntarily agreed to the Stipulation 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 as Schedule C containing rates and charges conforming to the Settlement and designed to produce the additional annual revenues to which the 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 shall 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

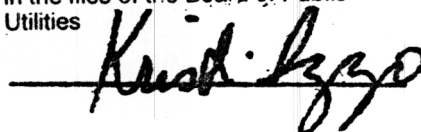

NICHOLAS ASSELTA
COMMISSIONER


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 CRESTWOOD VILLAGE WATER COMPANY
FOR AN INCREASE IN RATES AND CHARGES FOR WATER SERVICE

BPU DOCKET NO. WR07090706
OAL DOCKET NO. PUCRS 08543-2007S

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STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

IN THE MATTER OF THE PETITION OF
CRESTWOOD VILLAGE WATER COMPANY
FOR AN INCREASE IN RATES AND CHARGES
FOR WATER SERVICE

BPU Docket No. WR07090706
OAL Docket No. PUCRS 08543-2007S

STIPULATION

APPEARANCES:

Douglas R. Kleinfeld, Esq., Kleinfeld & Kleinfeld, Esqs., Attorneys for Petitioner, Crestwood Village Water Company.

Debra F. Robinson, Esq. Deputy Public Advocate for Division of Rate Counsel (Stefanie A. Brand, Esq., Director, Rate Counsel);

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

TO THE HONORABLE COMMISSIONERS OF THE BOARD OF PUBLIC UTILITIES:

I. PROCEDURAL HISTORY

- (1) Petitioner, Crestwood Village Water Company (hereinafter referred to as "Petitioner" or "Company") is a public utility of the State of New Jersey subject to the jurisdiction of the Board of Public Utilities ("Board") and franchised to provide water service in the Township of Manchester, Ocean County, New Jersey.
- (2) On September 26, 2007, Petitioner filed a petition with the Board, pursuant to N.J.S.A. 48:2-21 and N.J.A.C. 14:1-5.12 to increase its rates and charges for water service. Petitioner originally requested increased revenues of \$988,332 representing an increase of 68.8% over pro forma, present rate revenues. The Company subsequently submitted updated schedules, based on year end 2007 actual results, revising its revenue requirement request to \$1,092,917, an increase of approximately 78.7 % over pro forma, present rate revenues.
- (3) On October 5, 2007, the Board transmitted the matter to the Office of Administrative Law as a contested case where the matter was assigned to the Honorable Douglas H. Hurd, Administrative Law Judge ("ALJ"). On October 25, 2007, the Board issued a Suspension Order suspending increases, changes or alterations in rates for service until February 29, 2008. The Board issued a second Suspension Order on March 4, 2008 further suspending increases, charges or alterations in rates for service until June 29, 2008.
- (4) A telephonic pre-hearing conference was held before ALJ Hurd on November 29, 2007, at which time dates for a public hearing in Petitioner's service area and evidentiary hearings were scheduled. After appropriate public notice, a public hearing was held on February 28, 2008, at 7:00 pm at America's Keswick, Keswick Grove Activity Center in Whiting, New Jersey, within Petitioner's service area. Numerous members of the public appeared to provide comments on that occasion. The comments

generally reflected concerns about the level of the proposed increase and the financial impact of higher utility rates on senior citizens and others on fixed incomes.

- (5) The parties to this proceeding include the Staff of the Board of Public Utilities ("Board Staff"), the Company and the Division of Rate Counsel ("Rate Counsel"). There were no intervenors. During the course of this proceeding, Petitioner was served with, and responded to, extensive discovery requests by Rate Counsel and by Board Staff. A discovery and settlement conference was held on May 15, 2008. The Petitioner, Rate Counsel, and Board Staff (the "Parties") also conferred by telephone on a number of occasions to discuss issues related to the matter.

II. STIPULATED MATTERS

As a result of an analysis of the petition and exhibits, Petitioner's responses to discovery propounded by the Rate Counsel and Board Staff, as well as their discussions and negotiations in this matter, the signatory parties have reached a Stipulation and do hereby stipulate the following:

- (1) The year ended December 31, 2007 adjusted for known and measurable changes, is a reasonable and proper test year period.
- (2) It is stipulated and agreed that Petitioner's rate base is \$5,717,067, and that a fair overall rate of return thereon is 8.67%, which reflects a cost rate for common equity of 10%.
- (3) As reflected in Schedule A, annexed hereto and made part hereof, Petitioner's required operating income is \$495,546, and its total revenues are stipulated at \$2,366,642. Petitioner's pro forma present rate revenues are \$1,437,586 which, when subtracted from the total revenue requirement, necessitates a revenue increase of \$929,056 (stipulated revenue increase), representing an overall percentage increase of 64.63% over pro forma present rate revenues.
- (4) The revenue requirement to which the parties have stipulated, herein, is necessary to ensure that Petitioner will continue to provide safe, adequate and proper water service to its customers.
- (5) The stipulated revenue increase will be phased into Petitioner's rates over a two-year period commencing on the date of the Board's Order approving this Stipulation, in the manner and in the percentages set forth in the "Phase-In" Schedule attached hereto as Schedule B. As reflected in Schedule B, the rate increase in the first year, i.e., "Step 1 Increase", will be \$464,528, representing a 32.31% increase over present rate revenues, and the rate increase in the second year, i.e., "Step 2 Increase", will be \$464,528, representing a 24.42% increase over Step 1 revenues. The Step 1 Increase will take effect on the date of the Board's Order approving this Stipulation; the Step 2 Increase will take effect twelve (12) months from said date.
- (6) Attached hereto as Schedule C are new tariff sheets containing rates and charges conforming to this Stipulation and designed to produce the additional annual revenues to which the parties have stipulated herein.
- (7) Attached hereto as Schedule D is a schedule demonstrating that the new rates will produce the revenues to which the parties have stipulated herein and reflecting the stipulated increase for each rate classification.
- (8) Petitioner will file a new tariff with the Board, with copies to the parties, in conformity with this Stipulation, to become effective on such date as the Board may direct.

III. MISCELLANEOUS

- (1) This Stipulation applies only to this proceeding and is thus executed by the parties without prejudice to the positions asserted by each in this case and without prejudice to the positions which the parties may choose to assert in future proceedings. The parties further agree that the purpose of this Stipulation is to reach fair and reasonable rates and to conclude pending litigation. This Stipulation is not in any way intended to restrict or bind any of the parties hereto with respect to substantive positions they may choose to assert in any pending or future rate proceeding in this or any other forum. Therefore, the parties acknowledge that the Stipulation herein has been made exclusively for this proceeding before the OAL and Board.
- (2) In the event of any modification, amendment or alteration of this Stipulation by the Board, the parties individually reserve the right to either deem the Stipulation void in toto (in which case the parties would revert to the status quo prior to the execution of this Stipulation, which in this matter would be submission of testimony and proceeding with evidentiary hearings) or to consent to the modification(s) in writing.
- (3) This Stipulation may be executed in as many counterparts as there are signatories to this Stipulation, each of which counterparts shall be an original, but all of which shall constitute one and the same instrument consisting of several counterparts.

WHEREFORE, the parties hereto do respectfully submit this Stipulation and request that the Board issue a Decision and Order approving it in its entirety, in accordance with the Terms hereof, as soon as reasonably possible.

Dated:

CRESTWOOD VILLAGE WATER COMPANY

6-24-08

By:


Douglas R. Kleinfeld, Esq.
KLEINFELD & KLEINFELD, ESQS.

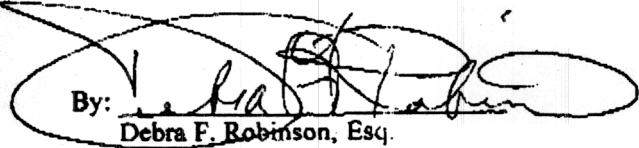
Dated

DIVISION OF RATE COUNSEL

Stefanie A. Brand Esq.,
Director, Rate Counsel

June 26, 2008

By:

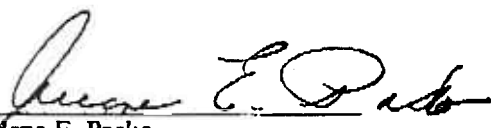

Debra F. Robinson, Esq.
Deputy Public Advocate

Dated:

Anne Milgram
ATTORNEY GENERAL OF NEW JERSEY
Attorney for Staff of the Board of
Public Utilities

June 24, 2008

By:


Arlene E. Pasko
Deputy Attorney General

SCHEDULE A

**CRESTWOOD VILLAGE WATER COMPANY
STIPULATED REVENUE INCREASE**

<u>Item</u>	<u>Amount</u>
Rate Base	\$5,717,067
Rate of Return	8.67%
Operating Income Required	\$495,546
Total Operating Expenses	\$1,871,096
Total Revenue Requirement	\$2,366,642
Revenues at Present Rates	\$1,437,586
Revenue Deficiency	\$929,056
Overall Required Percent Increase	64.63%
Present Rates Tariff Revenues	\$1,387,382
Required Percent Increase Tariff Rates	66.96%

SCHEDULE B

CRESTWOOD VILLAGE WATER COMPANY
PHASE-IN SCHEDULE FOR STIPULATED RATE INCREASE

<u>Item</u>	<u>Amount</u>
Present Rates Total Revenues	\$1,437,586
Present Rates Tariff Revenues	\$1,387,382
Step 1 Increase (50% of Total Increase)	\$464,528
Step 1 Total Revenues	\$1,902,114
Step 1 Percent Increase	32.31%
Step 1 Tariff Revenues	\$1,851,910
Step 1 Percent Increase Tariff Rates	33.48%
Step 2 Increase (50% of Total Increase)	\$464,528
Step 2 Revenues (Total Revenue Requirement)	\$2,366,642
Step 2 Percent Increase (Step 1 to Step 2)	24.42%
Step 2 Percent Increase Tariff Rates	25.08%
Total Increase (Present to Step 2)	\$929,056
Total Percent Increase (Present to Step 2)	64.63%

CRESTWOOD VILLAGE WATER COMPANY
B.P.U. NO. 3 - WATER

ORIGINAL SHEET NO. 14

SCHEDULE C
RATE SCHEDULE NO. 1 - PHASE 1
METERED SERVICE

APPLICABILITY:

Applicable to the use of water supplied through meters for general water service to any customer not otherwise specifically provided for in the Company's rate schedules. This Phase 1 Metered Service Rate Schedule shall be in effect for one year from its effective date then replaced with Rate Schedule 1A - Phase 2 Metered Service.

CHARACTER OF SERVICE:

See Standard Terms and Conditions.

RATES:

Consumption Charges*

<u>Quantity</u> <u>Used in the Quarter</u>	<u>Rate Per</u> <u>1,000 Gallons</u>
All water used	\$ 2.19

Quarterly Service Charge

<u>Size of Meter</u>	<u>Per Quarter</u>
5/8"	\$ 20.45
3/4"	30.68
1"	51.15
1-1/2"	102.30
2"	163.68
3"	306.92
4"	511.55
6"	1,023.11
8"	1,637.00

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

Issued:

By: Jan A. Kokes, President
55 Schoolhouse Road
Whiting, NJ 08759

Effective:

Filed pursuant to an Order of the Board of Public Utilities, State of New Jersey,
Docket No. WR0709070, dated .

CRESTWOOD VILLAGE WATER COMPANY
B.P.U. NO. 3 - WATER

ORIGINAL SHEET NO. 15

RATE SCHEDULE NO. 1A - PHASE 2
METERED SERVICE

APPLICABILITY:

Applicable to the use of water supplied through meters for general water service to any customer not otherwise specifically provided for in the Company's rate schedules. This Rate Schedule for Phase 2 Metered Service becomes effective one year from the effective date of Rate Schedule No. 1 - Phase 1 Metered Service and replaces Rate Schedule No. 1 Phase 1 Metered Service at that time.

CHARACTER OF SERVICE:

See Standard Terms and Conditions.

RATES:

<u>Consumption Charges*</u>	
Quantity Used in the Quarter All water used	Rate Per 1,000 Gallons \$ 2.74
<u>Quarterly Service Charge</u>	
<u>Size of Meter</u>	<u>Per Quarter</u>
5/8"	\$ 25.57
3/4"	38.38
1"	63.98
1-1/2"	127.96
2"	204.74
3"	383.91
4"	639.87
6"	1,279.75
8"	2,047.62

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

Issued:

Effective:

By: Jan A. Kokes, President
55 Schoolhouse Road
Whiting, NJ 08759

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Docket No. WR0709070, dated

CRESTWOOD VILLAGE WATER COMPANY
B.P.U. NO. 3 - WATER

ORIGINAL SHEET NO. 16

RATE SCHEDULE NO. 1
METERED SERVICE (cont.)

TERMS OF PAYMENT:

Net payment within fifteen (15) days of receipt of the bill. Bills for General Metered Service are rendered in arrears once in each calendar quarter. Whenever service to a customer is established or discontinued during a billing period, the fixed service charge will be prorated on a daily basis to the date when service is established or discontinued to such customer.

Issued:

Effective:

By: Jan A. Kokes, President
55 Schoolhouse Road
Whiting, NJ 08759

Filed pursuant to an Order of the Board of Public Utilities, State of New Jersey,
Docket No. WR0709070, dated .

CRESTWOOD VILLAGE WATER COMPANY
B.P.U. NO. 3 - WATER

ORIGINAL SHEET NO. 17

RATE SCHEDULE NO. 2 – PHASE 1
PRIVATE FIRE PROTECTION SERVICE

APPLICABILITY:

Applicable for flat rate Fire Protection Service in the locations where the Company has facilities. This Phase 1 Private Fire Protection Service Rate Schedule shall be in effect for one year from its effective date then replaced with Rate Schedule 2A – Phase 2 Private Fire Protection Service.

CHARACTER OF SERVICE:

See Standard Terms and Conditions.

RATE:

<u>Type of Service</u>	<u>Quarterly Rate</u>
2" or less Private Fire Service Line	5.69
3" Private Fire Service Line	13.53
4" Private Fire Service Line	21.65
6" Private Fire Service Line	57.09
8" Private Fire Service Line	127.19
10" Private Fire Service Line	151.51

TERMS OF PAYMENT:

Net payment within fifteen (15) days of receipt of the bill. Bills for Private Fire Protection services are rendered at least once in each calendar quarter. Whenever service to a customer is established or discontinued during a billing period, the private fire protection charge will be prorated on a daily basis to the date when service is established or discontinued to such customer.

Issued:

Effective:

By: Jan A. Kokes, President
55 Schoolhouse Road
Whiting, NJ 08759

Filed pursuant to an Order of the Board of Public Utilities, State of New Jersey,
Docket No. WR0709070, dated .

CRESTWOOD VILLAGE WATER COMPANY
B.P.U. NO. 3 - WATER

ORIGINAL SHEET NO. 18

RATE SCHEDULE NO. 2A - PHASE 2
PRIVATE FIRE PROTECTION SERVICE

APPLICABILITY:

Applicable for flat rate Private Fire Protection Service in the locations where the Company has facilities. This Phase 2 Rate Schedule for Private Fire Protection Service becomes effective one year from the effective date of Rate Schedule No. 2 - Phase 1 Private Fire Protection Service and replaces Rate Schedule No. 2 Phase 1 Private Fire Protection Service at that time.

CHARACTER OF SERVICE:

See Standard Terms and Conditions.

RATE:

<u>Type of Service</u>	<u>Quarterly Rate</u>
2" or less Private Fire Service Line	7.12
3" Private Fire Service Line	16.93
4" Private Fire Service Line	27.08
6" Private Fire Service Line	71.41
8" Private Fire Service Line	159.10
10" Private Fire Service Line	189.52

TERMS OF PAYMENT:

Net payment within fifteen (15) days of receipt of the bill. Bills for Private Fire Protection services are rendered at least once in each calendar quarter. Whenever service to a customer is established or discontinued during a billing period, the private fire protection charge will be prorated on a daily basis to the date when service is established or discontinued to such customer.

Issued:

Effective:

By: Jan A. Kokes, President
55 Schoolhouse Road
Whiting, NJ 08759

Filed pursuant to an Order of the Board of Public Utilities, State of New Jersey,
Docket No. WR0709070, dated

RATE SCHEDULE NO. 2
PRIVATE FIRE PROTECTION SERVICE (cont.)

Certified residential health care facilities and rooming or boarding houses which are required to install private fire sprinkler systems pursuant to P.L. 1971, c. 136 (N.J.S.A. 26: 2H-1, et seq.) and P.L. 1979, c. 496 (N.J.S.A. 55: 13B-1, et seq.) and regulations promulgated under these two (2) statutes, shall be exempt from payment of the private fire protection service charges. Such exemption shall not be granted until the appropriate state agency, either the Department of Community Affairs or the Department of Health, certifies to the Company and to

the Board of Public Utilities that the particular residential health care facility or rooming house or boarding house meets the requirements of P.L. 1981 c. 154 and the regulations adopted pursuant thereto and is thereby entitled to the exemption from the private fire sprinkler systems stand-by charge.

The Company shall charge a certified exempt customer for the actual cost of the water main connection (main to curb). Said customer shall be required by the Company to pay for the initial cost of the service line installation, but the Company shall own the line as contributed property and the Company shall be responsible for its maintenance. The service line shall be installed by the utility or its agent. The remainder of the fire sprinkler line (from the curb cock to the building) shall be installed, owned and maintained by the customer and shall conform to reasonable specifications as prescribed by the Company. The Company shall provide, at no cost to the customer, detector check valves.

Issued:

Effective:

By: Jan A. Kokes, President
55 Schoolhouse Road
Whiting, NJ 08759

Filed pursuant to an Order of the Board of Public Utilities, State of New Jersey,
Docket No. WR0709070, dated .

CRESTWOOD VILLAGE WATER COMPANY
COMPARISON OF PRESENT AND PHASE 1 STIPULATED RATES

<u>Rate</u>	<u>Actual Present</u>	<u>Phase 1 Stipulated</u>	<u>% Increase</u>
<u>Quarterly Service Charges:</u>			
5/8"	\$15.33	\$20.45	33.40%
3/4"	22.99	30.68	33.45%
1"	38.32	51.15	33.48%
1-1/2"	76.64	102.30	33.48%
2"	122.63	163.68	33.47%
3"	229.94	306.92	33.48%
4"	383.24	511.55	33.48%
6"	766.48	1,023.11	33.48%
8"	1,226.38	1,637.00	33.48%
Consumption rate / 1000 gal	1.64	2.19	33.54%
Public Fire Hyd Annual Rate	37.00	37.00	0.00%
<u>Private Fire Protection Service:</u>			
<u>Quarterly Charges:</u>			
2" or less	4.27	5.69	33.26%
3"	10.14	13.53	33.43%
4"	16.22	21.65	33.48%
6"	42.77	57.09	33.48%
8"	95.29	127.19	33.48%
10"	113.51	151.51	33.48%
Meter Testing Charge	25.00	25.00	0.00%
Reconnection Service Charge	25.00	25.00	0.00%

CRESTWOOD VILLAGE WATER COMPANY
CALCULATION OF REVENUES UNDER

PRESENT AND PHASE 1 STIPULATED RATES

Item	# Units	Present Rates		Phase 1 Stipulated Rates	
		Rate	Amount	Rate	Amount
Residential:					
Service Charge:					
5/8" (1)	9,702	\$15.33	\$594,927	\$20.45	\$793,624
Consumption (2)	396,741	\$1.64	<u>650,654</u>	2.19	<u>868,862</u>
Total Residential			<u>1,245,581</u>		<u>1,662,485</u>
Commercial:					
Service Charge:					
5/8"	19	\$15.33	1,165	\$20.45	1,554
3/4"	38	\$22.99	3,494	30.68	4,663
1"	23	\$38.32	3,525	51.15	4,706
1 1/2"	8	\$76.64	2,452	102.30	3,274
2"	39	\$122.63	19,130	163.68	25,534
6"	1	\$766.48	3,066	1,023.11	4,092
Consumption (3)	42,921	\$1.64	<u>70,390</u>	2.19	<u>93,997</u>
Total Commercial			<u>103,224</u>		<u>137,820</u>
Total Metered			<u>1,348,805</u>		<u>1,800,306</u>
Manchester Tsp.:					
Service Charge:					
6"	1	\$766.48	3,066	1,023.11	4,092
8"	2	\$1,226.38	9,811	1,637.00	13,096
Consumption (4)	15,085	\$1.64	<u>24,739</u>	2.190	<u>33,036</u>
Total Manchester			<u>37,616</u>		<u>50,225</u>
Private Fire Service			960		1,281
Rents from Water Operations			44,036		44,036
Other Revenues			<u>6,169</u>		<u>6,169</u>
Total Revenues			<u>\$1,437,586</u>		<u>\$1,902,017</u>

CRESTWOOD VILLAGE WATER COMPANY
COMPARISON OF PRESENT AND PHASE 2 STIPULATED RATES

<u>Rate</u>	<u>Actual Present</u>	<u>Phase 2 Stipulated</u>	<u>% Increase</u>
<u>Quarterly Service Charges:</u>			
5/8"	\$15.33	\$25.57	66.80%
3/4"	22.99	38.38	66.94%
1"	38.32	63.98	66.96%
1-1/2"	76.64	127.96	66.96%
2"	122.63	204.74	66.96%
3"	229.94	383.91	66.96%
4"	383.24	639.87	66.96%
6"	766.48	1,279.75	66.96%
8"	1,226.38	2,047.62	66.96%
Consumption rate / 1000 gal	1.64	2.74	67.07%
Public Fire Hyd Annual Rate	37.00	37.00	0.00%
<u>Private Fire Protection Service:</u>			
<u>Quarterly Charges:</u>			
2" or less	4.27	7.12	66.74%
3"	10.14	16.93	66.96%
4"	16.22	27.08	66.95%
6"	42.77	71.41	66.96%
8"	95.29	159.10	66.96%
10"	113.51	189.52	66.96%
Meter Testing Charge	25.00	25.00	0.00%
Reconnection Service Charge	25.00	25.00	0.00%

CRESTWOOD VILLAGE WATER COMPANY
CALCULATION OF REVENUES UNDER
PRESENT AND PHASE 2 STIPULATED RATES

Item	# Units	Present Rates		Phase 2 Stipulated Rates	
		Rate	Amount	Rate	Amount
Residential:					
Service Charge:					
5/8" (1)	9,702	\$15.33	\$594,927	\$25.57	\$992,321
Consumption (2)	396,741	\$1.64	<u>650,654</u>	2.74	<u>1,087,069</u>
Total Residential			<u>1,245,581</u>		<u>2,079,390</u>
Commercial:					
Service Charge:					
5/8"	19	\$15.33	1,165	\$25.57	1,943
3/4"	38	\$22.99	3,494	38.38	5,834
1"	23	\$38.32	3,525	63.98	5,886
1 1/2"	8	\$76.64	2,452	127.96	4,095
2"	39	\$122.63	19,130	204.74	31,939
6"	1	\$766.48	3,066	1,279.75	5,119
Consumption (3)	42,921	\$1.64	<u>70,390</u>	2.74	<u>117,604</u>
Total Commercial			<u>103,224</u>		<u>172,420</u>
Total Metered			<u>1,348,805</u>		<u>2,251,809</u>
Manchester Tsp.:					
Service Charge:					
6"	1	\$766.48	3,066	1,279.75	5,119
8"	2	\$1,226.38	9,811	2,047.62	16,381
Consumption (4)	15,085	\$1.64	<u>24,739</u>	2.740	<u>41,333</u>
Total Manchester			<u>37,616</u>		<u>62,833</u>
Private Fire Service			960		1,603
Rents from Water Operations			44,036		44,036
Other Revenues			<u>6,169</u>		<u>6,169</u>
Total Revenues			<u>\$1,437,586</u>		<u>\$2,366,450</u>

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DATE: 7/1/08

TO: Dante Mugrace

FAX NO.: 973-877-1167

Debra F. Robinson, Esq.

973-624-1047

Arlene E. Pasko, DAG

973-648-3555

Thomas O'Gara

732-716-8499

SUBJECT: I/M/O Crestwood Village Water Company - BPU Docket No.
WR07090706

REMARKS: Attached is the Initial Decision issued by Judge Hurd
approving the settlement in the above-captioned matter.

Number of pages faxed: 4 (including cover sheet)

If you do not receive all material being transmitted, please call
(908) 508-0800.

FROM:

DOUGLAS R. KLEINFELD, Esq.

DRK/jt



State of New Jersey
OFFICE OF ADMINISTRATIVE LAW

INITIAL DECISION

SETTLEMENT

OAL DKT. NO. PUC 8543-07

AGENCY DKT. NO. WR07090706

**IN THE MATTER OF THE PETITION
OF CRESTWOOD VILLAGE WATER
COMPANY FOR AN INCREASE IN
RATES AND CHARGES FOR WATER
SERVICE.**

Douglas R. Kleinfeld, Esq., for petitioner, Crestwood Village Water Company,
(Kleinfeld and Kleinfeld, attorneys)

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

Debra F. Robinson, Esq., Deputy Public Advocate, for the Division of Rate
Counsel (Stefanie A. Brand, Esq., Director, Rate Counsel)

Record Closed: June 24, 2008

Decided: June 24, 2008

BEFORE DOUGLAS H. HURD, ALJ:

OAL DKT. NO. PUC 8543-07

This matter was transmitted to the Office of Administrative Law (OAL) on October 19, 2007, for determination as a contested case, pursuant to N.J.S.A. 52:14B-1 to -15 and N.J.S.A. 52:14F-1 to -13.

At the June 24, 2008, hearing, the parties agreed to a settlement of all issues in dispute and have prepared a Settlement Agreement (J-1) which is attached and fully incorporated herein.

I have reviewed the record and the settlement terms and I **FIND**:

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

I **CONCLUDE** that this agreement meets the requirements of N.J.A.C. 1:1-19.1, and that the settlement should be approved. I approve the settlement and, therefore, **ORDER** that the parties comply with the settlement terms and that these proceedings be concluded.

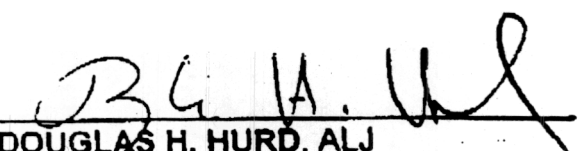
I hereby **FILE** my initial decision with the **BOARD OF PUBLIC UTILITIES** for consideration.

OAL DKT. NO. PUC 8543-07

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 (45) 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.

June 24, 2008

DATE


DOUGLAS H. HURD, ALJ

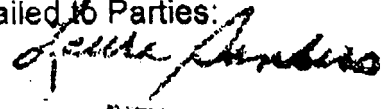
Date Received at Agency:

800Z 22 NOV

JUN 27 2008

DATE

Mailed to Parties:


DIRECTOR AND
CHIEF ADMINISTRATIVE LAW JUDGE

OFFICE OF ADMINISTRATIVE LAW

/cs