Agenda Date: 10/20/10 Agenda Item: VA



### STATE OF NEW JERSEY

Board of Public Utilities Two Gateway Center, Suite 801 Newark, NJ 07102 www.nj.gov/bpu

### **WATER**

IN THE MATTER OF THE PETITION OF SHORELANDS WATER COMPANY FOR AN INCREASE IN RATES FOR WATER SERVICE

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

BPU DOCKET NO. WR10060394OAL DOCKET NO. PUC 07101-2010N

Walter G. Reinhard, Esq. Morris, McLaughlin & Marcus, 721 Route 202-206. P. O Box 5933, Bridgewater, NJ 08807-5933, for Petitioner

#### BY THE BOARD:

On June 7, 2010, pursuant to N.J.S.A. 48:2-21, Petitioner, Shorelands Water Company ("Petitioner," "Company" or "Shorelands"), a public utility of the State of New Jersey subject to the jurisdiction of the Board of Public Utilities ("Board") and serving approximately 11,000 water customers within its service territory which includes the Township of Hazlet and part of Holmdel Township; 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, New Jersey, filed a petition for a revision of its rates for water service, amounting to an overall increase of approximately \$1,829,643 or 19.8% in annual revenues. The increase in rates was proposed to become effective on July 7, 2010.

On June 24, 2010, this matter was transmitted to the Office of Administrative Law ("OAL"). On August 4, 2010 the Board issued its Initial Suspension Order suspending the Company's proposed rates until November 7, 2010.

According to the petition, the rate increase is required to enable the Petitioner to recover increased operating expenses and to make needed system improvements. The Company also stated that the rates are proposed to be increased in order to finance essential and continuing plant investment so as to comply with ongoing environmental and health regulations and to permit the Company to earn a fair and adequate rate of return on its investment in plant.

<sup>&</sup>lt;sup>1</sup> On June 8, 2010, the Company filed a letter with the Board stating that the Petition contained a typographical error and that the Company intended to seek a July 7, 2010 effective date. Additionally, the Company indicated that it would not implement the proposed rates pending Board action to suspend the proposed rates at its August 4, 2010 meeting.

In light of the fact that this matter is still pending before the OAL, it is <u>HEREBY ORDERED</u> that:

- Pursuant to N.J.S.A. 48:2-21, the proposed revisions be, and are further suspended until March 7, 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, NJ 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 to the Board of Chosen Freeholders of Monmouth County. Service of the petition, notice of hearings and this Suspension 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.

DATED: 10/20/10

BOARD OF PUBLIC UTILITIES BY:

LEE A. SOLOMON PRESIDENT

EANNE M. FOX COMMISSIONER

JOSEPH L. FIORDALISO

COMMISSIONER

NICHOLAS ASSELTA

COMMISSIONER

ELIZABETH RANDALL COMMISSIONER

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public

Utilities

**ATTEST** 

KRISTI IZZO SECRETARY

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