



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
NEW JERSEY-AMERICAN WATER COMPANY,)	DECISION/STIPULATION
INC. FOR APPROVAL TO CHANGE THE LEVEL)	
OF ITS PURCHASED WATER ADJUSTMENT)	
CLAUSE AND PURCHASED WASTEWATER)	
(SEWERAGE) TREATMENT ADJUSTMENT)	BPU DOCKET NO. WR10020149
CLAUSE)	OAL DOCKETNO. PUC 03268-2010N

(SERVICE LIST ATTACHED)

BY THE BOARD:

On February 25, 2010, New Jersey-American Water Company, Inc. ("NJAW" or "Petitioner"), a public utility of the State of New Jersey, filed a petition with the New Jersey Board of Public Utilities ("Board") pursuant to N.J.A.C. 14:9-7.1, et seq., and 14:9-8.1 et seq., for approval to change the level of its existing purchased water adjustment clause charge and purchased sewerage treatment adjustment clause charge to become effective April 1, 2010. The total revenue requirement increase requested was \$3,345,712 or 0.56% per year.

Petitioner is a water and wastewater utility providing water service to approximately 610,500 water customers in certain municipalities in the Counties of Atlantic, Burlington, Camden, Cape May, Essex, Gloucester, Hunterdon, Mercer, Middlesex, Monmouth, Morris, Ocean, Passaic, Salem, Somerset, Union and Warren, and wastewater service to approximately 29,300 customers in certain municipalities in the Counties of Monmouth, Ocean, Somerset and Cape May.

Petitioner obtains water from twelve separate entities and purchases sewerage treatment services from three separate entities. Each provider has adjusted its rates for service, and in the case of wastewater treatment service providers, has issued sewerage deficiency/credit adjustments at different times throughout the year.

After extensive settlement discussions, a proposed increase of \$3,080,754 in purchased water and purchased sewerage treatment costs, representing a 0.52% increase over NJAW's total revenues, was agreed to by the parties to the proceeding.

PROCEDURAL HISTORY

This matter was transmitted to the Office of Administrative Law ("OAL") on March 11, 2010, and was assigned to Administrative Law Judge ("ALJ") Leland S. McGee. ALJ McGee conducted a pre-hearing conference on May 12, 2010, during which, among other things, directed that public hearings be held on this matter. Subsequently, Middlesex Water Company ("Middlesex") filed a Motion for Intervention in this matter on June 3, 2010. ALJ McGee granted Middlesex's Motion on June 18, 2010.

Four (4) public hearings were held in this matter. Two public hearings were held on June 21, 2010, one at 2:00pm in Ocean City, NJ, and one at 7:00pm in Westampton, NJ. Two public hearings were held on June 23, 2010, one at 1:30pm in Maplewood, NJ and one at 7:00pm in Howell, NJ. No members of the public appeared at either the Westampton or the Howell public hearings to provide comments on the proposed PWAC and PSTAC rate filings. At the Ocean City public hearing, seven (7) members of the public were in attendance and one (1) person voiced their concerns with respect to the proposed increase. At the Maplewood public hearing, only one person was in attendance and voiced their concerns with respect to the proposed increase.

Subsequent to the public hearings, the Petitioner, the Division of the Rate Counsel ("Rate Counsel"), Middlesex and Board Staff (collectively, the "Parties") engaged in settlement negotiations. As a result of these discussions and extensive discovery, the Parties reached a stipulation of settlement on all issues ("Stipulation").

On July 15, 2010, ALJ McGee issued his Initial Decision in this matter recommending adoption of the Stipulation executed by the Parties, finding that the Parties had voluntarily agreed to the Stipulation and that the Stipulation fully disposes of all issues and is consistent with the law.

DISCUSSION AND FINDINGS

As more fully discussed in the attached Stipulation, the Parties agreed that the following increases are reasonable and appropriate to allow the Petitioner to recover increased purchased water and purchased sewerage treatment expenses:

- For customers included within SA-1 service territory, the average bill for a single family water customer with 5/8" meter and using 84,000 gallons of water per year will decrease (\$0.24) per year or an decrease of (0.04%), and will result in a decrease in an annual water bill from the current \$595.73 to \$595.49.
- For customers in the SA-2 and SA-3 service territories, the average bill for a single family water customer with a 5/8" meter and using 84,000 gallons of water per year will decrease (\$0.24) per year or an decrease of (0.05%) and will result in a decrease in the annual water bill from the current \$531.36 to \$531.12.
- For customers in the Manville service territory, the average bill for a single family water customer with a 5/8" meter and using 84,000 gallons of water per year will decrease (\$0.24) per year or an decrease of (0.05%) and will result in a decrease in an annual water bill from the current rate of \$503.19 to \$502.95.

- For customers in the Southampton District, (SA-3 customers) the average bill for a single family water customer with a 5/8" meter and using 84,000 gallons of water per year will decrease (\$0.36) per year or an decrease of (0.08%) and will result in a decrease in an annual water bill from \$458.17 to \$457.81.
- For customers the Homestead District, (SA-3 customers) the average bill for a single family water customer with a 5/8" meter and using 84,000 gallons of water per year will decrease (\$0.24) per year or an decrease of (0.04%) and will result in a decrease in an annual bill from \$571.61 to \$571.37.
- For customers in the Harrison District (SA-1A customers) the average bill for a single family water customer with a 5/8" meter and using 84,000 gallons of water per year will decrease (\$0.24) per year or an decrease of (0.05%) and will result in an decrease in a annual water bill from \$517.71 to \$517.47.
- For customers in the Pennsgrove District (SA-1B customers) the average bill for a single family water customer with a 5/8" meter and using 84,000 gallons of water per year will decrease (\$0.24) per year or an decrease of (0.06%) and will result in an decrease in a annual water bill from \$407.06 to \$406.82.
- For sewer customers in the Lakewood Township, Ocean County district, the average bill for a single family sewer customer and using 18,000 gallons of water in the winter quarter, and 72,000 gallons of water per year, will increase \$37.80 per year or an increase of 5.00% and will result in an increase in an annual sewer bill from \$756.12 to \$793.92.
- For sewer customers in the Ocean City, Cape May County district, the average bill for a single family sewer customer and using 20,000 gallons of water in the summer quarter, and 44,000 gallons of water per year will increase \$67.92 per year or an increase of 9.55% and will result in an increase in an annual sewer bill from \$711.14 to \$779.06.
- For sewer customers in the Adelphia section of Howell Township, Monmouth County district, the average bill for a single family sewer customer and using 48,000 gallons of water per year will increase \$17.88 per year or an increase of 3.38% and will result in an increase in an annual sewer bill from \$529.68 to \$547.56.

Having reviewed the Initial Decision and the Stipulation of Settlement, the Board 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 FINDS the Initial Decision, which adopts the Stipulation to be reasonable, in the public interest, and in accordance with the law. Therefore, the Board HEREBY ADOPTS the Initial Decision and the Stipulation, attached hereto, including all attachments and schedules, as its own, incorporating by reference the terms and conditions of the Stipulation, as if they were fully set forth at length herein, subject to the following:


In accordance with the provisions of N.J.A.C. 14:9-7.3 (c) and 14:9-8.3 (c), the Petitioner shall file with the Board, no later than 45 days after the adjustment clauses has been in effect for one year, a PWAC and PSTAC true-up schedules in connection with this proceeding. Copies of the true-up schedules shall be served upon all parties to the present proceeding.

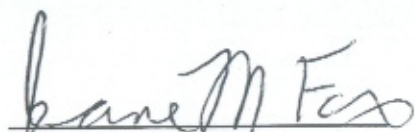
The Board HEREBY ACCEPTS the tariff pages attached to the Stipulation as filed with the Board, to be effective as of the date of this Order.

The effective date of this Order is as dated below:

DATED: 8/4/10

BOARD OF PUBLIC UTILITIES
BY:


LEE A. SOLOMON
PRESIDENT


JEANNE M. FOX
COMMISSIONER


JOSEPH L. FIORDALISO
COMMISSIONER

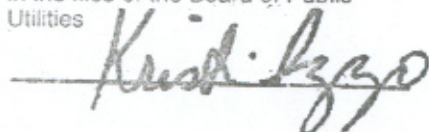

NICHOLAS ASSELTA
COMMISSIONER


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
New Jersey-American Water Company, Inc.
for Approval to Change the Level of its
Purchased Water Adjustment Clause and Purchased
Wastewater (Sewerage) Treatment Adjustment Clause

BPU Docket No. WR10020149
OAL Docket No. PUC 03268-2010N

SERVICE LIST

Suzana Duby, Esq.
Associate Corporate Counsel
New Jersey American Water Co., Inc.
167 J.F. Kennedy Parkway
Short Hills, NJ 07078

Ira G. Megdal, Esq.
Cozen O' Conner
Suite 300 Libertyview
457 Haddonfield Road
P.O. Box 5459
Cherry Hill, NJ 08002-2220

Kenneth J. Quinn, Esq.
General Counsel
Middlesex Water Company
1500 Ronson Road
Iselin, NJ 08850

Stefanie Brand, Acting Director
Debra Robinson, Esq.
Christine Juarez, Esq.
Division of Rate Counsel
31 Clinton Street
P.O. Box 46005
Newark, NJ 07102

Geoffrey Gersten, DAG
Caroline Vachier, DAG
Cynthia Holland, DAG
Department of Law and Public Safety
Division of Law
124 Halsey Street, 5th Floor
P.O. Box 45029
Newark, NJ 07101



Suzana Duby
Corporate Counsel
167 J.F. Kennedy Parkway
Short Hills, NJ 07078
Suzana.Duby@amwater.com

P 973.564.5755
F 973.564.5708

July 9, 2010

VIA E-MAIL and REGULAR MAIL

Hon. Leland McGee, ALJ
Office of Administrative Law
33 Washington Street
Newark, NJ 07102-3011

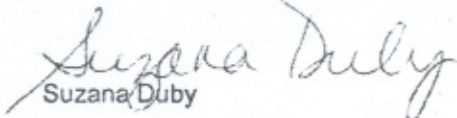
Re: I/M/O the Petition of New Jersey American Water Company, Inc. To Change
the Levels of its Purchased Water Adjustment Clause and Purchased
Wastewater (Sewerage) Treatment Adjustment Clause
BPU Docket No. WR10020149
OAL Docket No. PUCRA 03268-2010N

Dear Judge McGee:

Enclosed herewith please find the stipulation of settlement in the above referenced matter as executed by all parties. Petitioner respectfully requests that Your Honor issue an Initial Decision on an expedited basis, in order that this matter may be considered by the Board of Public Utilities during its August 4, 2010 agenda meeting.

Should Your Honor have any questions regarding the above, please do not hesitate to contact me.

Respectfully submitted,


Suzana Duby

SD:dlc
Enc.

cc: Dante Mugrace, Bureau Chief, BPU Division of Water and Wastewater (via e-mail only)
Cynthia Holland, Deputy Attorney General (via e-mail only)
Christine Juarez, Asst. Deputy Rate Counsel (via e-mail only)
Kenneth Quinn, Esq.

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

IN THE MATTER OF THE PETITION OF	:	BPU DOCKET NO. WR10020149
NEW JERSEY-AMERICAN WATER	:	
COMPANY, INC. FOR APPROVAL TO	:	OAL DOCKET NO. PUC 03268-2010N
CHANGE THE LEVEL OF ITS PURCHASED	:	
WATER ADJUSTMENT CLAUSE AND	:	
PURCHASED WASTEWATER (SEWERAGE)	:	
TREATMENT ADJUSTMENT CLAUSE	:	STIPULATION OF SETTLEMENT

APPEARANCES:

Suzana Duby, Esq., on behalf of New Jersey-American Water Company, Inc., Petitioner;
Cynthia Holland, Deputy Attorney General on behalf of the Staff of the Board of Public
Utilities;

Debra F. Robinson, Deputy Rate Counsel; and Christine M. Juarez, Assistant Deputy
Rate Counsel; on behalf of the Division of Rate Counsel; and

Kenneth J. Quinn, Esq., on behalf of Middlesex Water Company, Intervenor

TO THE HONORABLE BOARD OF PUBLIC UTILITIES:

On February 25, 2010, New Jersey-American Water Company, Inc. ("Petitioner"), a public utility of the State of New Jersey, filed a Petition with the Board of Public Utilities ("Board") pursuant to N.J.A.C. 14:9-7.1, et seq., and 14:9-8.1 et seq., for approval to change the levels of its existing purchased water adjustment clause ("PWAC") charge and purchased wastewater (sewerage) treatment adjustment clause ("PSTAC") charges to become effective April 1, 2010, with respect to increased purchased water expense and increased purchased wastewater treatment expense. The total requested increase was \$3,345,712 or 0.56%.

Petitioner purchases water on a routine basis from twelve separate entities and purchases wastewater treatment services from three separate entities, each of which adjusts its rates for

service, and, in the case of wastewater treatment service providers, issues sewerage deficit/credit adjustments, at different times throughout the year. The twelve water purveyors are: Passaic Valley Water Commission ("PVWC"); Morris County Municipal Utilities Authority; Montclair Water Bureau; Shorelands Water Company; New Jersey Water Supply Authority ("NJWSA"); Atlantic City Municipal Utilities Authority ("ACMUA"); City of Wildwood; Borough of Seaside Heights; City of Newark; Township of Maple Shade; East Windsor Municipal Utilities Authority; and Marlboro Township Municipal Utilities Authority ("MTMUA"). The three sewerage treatment purveyors are: Cape May County Municipal Utilities Authority ("CMCMUA") for the Petitioner's Ocean City Sewer tariff group; Ocean County Utilities Authority ("OCUA") for the Petitioner's Lakewood Sewer tariff group; and Howell Township for the Petitioner's Adelphia Sewer tariff group.

In Docket No. WR06030257, the Board ordered that all purchased water costs and purchased wastewater treatment costs be removed from base rates and recovered through the PWAC and PSTAC as applicable. In its update to the Petition filed within the instant proceeding, OAL Docket No. PUC-03268-2010N, BPU Docket No. WR10020149, Petitioner proposed to increase its PWAC rate upon PWAC Rate Schedule O-1 from \$0.4078 per thousand gallons of water to \$0.4112 per thousand gallons of water for Non-Exempt customers. Petitioner proposed to increase its PWAC rate from \$0.3527 per thousand gallons of water to \$0.3546 per thousand gallons for Exempt customers. It also proposed to address its PSTAC charges as follows:

- For Lakewood Township, Ocean County, the rate per thousand gallons of water as reflected upon PSTAC Rate Schedule 2-B, would change from \$4.5813 per thousand gallons to \$5.0649 per thousand gallons.
- For customers in Ocean City, Cape May County, the rate per thousand gallons of prior year's summer water quarter usage (July, August and September meter readings) as reflected upon PSTAC Rate Schedule 1-B,

would change from \$21.0781 per thousand gallons to \$24.2021 per thousand gallons.

- For customers in the Adelphia section of Howell Township, Monmouth County, the rate per thousand gallons of water as reflected upon PSTAC Rate Schedule 3-B, would change from \$4.4661 per thousand gallons to \$4.8074 per thousand gallons.

On March 11, 2010, the Board transmitted this matter to the Office of

Administrative Law (the "OAL") as a contested case. A telephonic prehearing conference was held on May 12, 2010 during which, among other things, directed that public hearings be held on this matter.

On June 3, 2010, Middlesex Water Company ("Middlesex") filed a motion to intervene in the instant proceeding which was granted on June 18, 2010. Four public hearings were held in Petitioner's service area. A member of the public offered comment at the Ocean City and Maplewood hearings, respectively. A member of the public was present in Westampton. No members of the public were present in Howell.

The Division of Rate Counsel ("Rate Counsel") and Board Staff served interrogatories on Petitioner, which were responded to in full by Petitioner. Petitioner, Board Staff, Rate Counsel, and Middlesex ("Parties") participated in discovery/settlement conferences on June 15 and June 16, 2010. As a result of discovery conducted and of the negotiations, the Parties have been able to reach agreement on this matter, the provisions of which are set forth below.

SETTLEMENT AGREEMENT

1. The Parties recommend that the Board approve a change to Petitioner's PWAC rate on PWAC Rate Schedule O-1 from \$0.4078 per thousand gallons of water for Non-Exempt customers to \$0.4043 per thousand gallons of water for Non-Exempt customers and from \$0.3517 per thousand gallons of water for Exempt customers to \$0.3487 per thousand gallons of water for Exempt customers.

2. The Parties further recommend that the Board permit Petitioner to change its PSTAC charges as follows:

- For Lakewood Township, Ocean County, the rate per thousand gallons as reflected within PSTAC Rate Schedule 2-B will increase from \$4.5813 per thousand gallons to \$5.1072 per thousand gallons.
- For customers in Ocean City, Cape May County, the rate per thousand gallons of prior year's summer water quarter usage (July, August and September meter readings) as reflected upon PSTAC Rate Schedule 1-B, will increase from \$21.0781 per thousand gallons to \$24.4755 per thousand gallons.
- For customers in the Adelphia section of Howell Township, Monmouth County, the rate per thousand gallons of water as reflected upon PSTAC Rate Schedule 3-B, will increase from \$4.4661 per thousand gallons to \$4.8373 per thousand gallons.

3. The PWAC rate change would result in a decrease in the annual bill of an average residential customer utilizing 84,000 gallons per year as follows:

	Amount	Percentage
	<u>Decrease</u>	<u>Decrease</u>
SA-1	(\$0.24)	(0.04%)
SA-1A	(\$0.24)	(0.05%)
SA-1B	(\$0.24)	(0.06%)
SA-2 & SA-3 Main	(\$0.24)	(0.05%)
SA-2 Manville	(\$0.24)	(0.05%)
SA-3 Southampton	(\$0.36)	(0.08%)
SA-3 Homestead	(\$0.24)	(0.04%)

4. The PSTAC rate increase for a typical residential sewer service customer in Lakewood Township, Ocean County utilizing 18,000 gallons of water in the winter quarter, would be \$37.80 per year or 5.00%. The increase to an average sewer service customer in Ocean City, Cape May County utilizing 20,000 gallons in the summer quarter and 44,000 gallons of water per year, would be \$67.92 per year or 9.55%. The increase to an average sewer service

customer in the Adelphia section of Howell Township, Monmouth County utilizing 48,000 gallons of water per year, would be \$17.88 per year or 3.38%.

5. These PWAC and PSTAC rates have been compressed using a rate-effective date of August 4, 2010. Compression will avoid a large under-recovery. In the event that these PWAC and PSTAC rates are implemented on a later date, these PWAC and PSTAC rates will be further compressed to take into account their effectiveness on this later date.

6. Within this Stipulation, the Parties have agreed on a methodology for calculating the amount of interest to be applied to over-recoveries within the PWAC. This method is described as follows: Total PWAC True-up balance (Over)/Under-recovered (which is the adjusted total purchased water expense minus total PWAC revenues net of cost recoveries for the current month) of the current month, plus the total PWAC cumulative true-up balance (Over)/under recovery) of the prior month, minus the amortization of the PWAC true-up from the previous PWAC year of the current month. By way of example of this methodology, see Note 5, Schedule JMW-2, attached to this Stipulation. The Parties agree to review this methodology and adjust it as necessary and appropriate in future PWAC proceedings.

7. Petitioner is currently disputing the 2007 and 2008 true-up deficiency charges ("Deficiency Charges") assessed upon it by the Ocean Count Utilities Authority ("OCUA"). The 2007 true-up deficiency charge assessed by OCUA to Petitioner is \$404,921.80, and the 2008 true-up deficiency charge assessed by OCUA to Petitioner is \$397,191.60. With regard to these deficiency charges, the Parties agree that Petitioner will continue to amortize the total amounts of these Deficiency Charges over a period of six years (at \$67,487 and \$66,199 per year for the 2007 and 2008 true-up deficiencies, respectively). This amortization began in the 2009–2010 PSTAC Year and is included within the calculation of the 2010 – 2011 PSTAC rate for

Lakewood Sewer Service customers. Should the issue of the Deficiency Charges be resolved by and between the OCUA and Petitioner during the 2010–2011 PSTAC Year, Petitioner will reconcile the remaining, unamortized balance of the Deficiency Charges, if any, in order that said balance of Deficiency Charges (if any) will be recovered within the Company's next filed PWAC/PSTAC proceeding.

8. The PWAC rates established herein will increase annual revenues by \$1,108,999, an increase of 0.20%, of water revenues, and the PSTAC rates established herein will increase annual revenues by \$1,971,755, an increase of 7.79% of wastewater revenues. The PWAC and PSTAC rates that have been established herein would increase annual revenues by \$3,080,754 or 0.52% of total revenues.

9. In accordance with the provisions of N.J.A.C. 14:9-7.3(c) and 14:9-8.3(c), the Petitioner shall file with the Board, not later than 45 days after the adjustment clauses have been in effect for one year, PWAC and PSTAC true-up schedules in connection with this proceeding. Copies of the true-up schedules will be served upon all Parties to the present proceeding.

10. This Stipulation shall be binding on the Parties to this proceeding upon approval hereof by the Board. This Stipulation shall bind the Parties in this matter only and shall not be considered precedent in any other proceeding involving the Parties hereto.

11. This Stipulation contains terms, each of which is interdependent with the others and essential in its own right to the signing of this Stipulation. Each term is vital to the agreement as a whole, since the signatory Parties individually and jointly state that they would not have signed the Stipulation had any term been modified in any way. In the event that any modifications

whatsoever are made to this Stipulation, each of the Parties hereto is entitled to certain procedures in the event of such occurrence.

12. If any modification is made to the terms of this Stipulation, the signatory Parties must be given the right to be placed in the position in which each Party was before this Stipulation was executed. It is essential that each party be given the option either to modify its own position, to accept the proposed change(s) or to resume the proceeding as if no agreement had been reached.

13. The Parties believe that these procedures are fair to all concerned and, therefore, they are made an integral and essential element of this Stipulation.

14. This Stipulation may be executed in as many counterparts as there are signatories to this Stipulation, each of which counterpart shall be an original, but all of which shall constitute one and the same instrument.

PAULA T. DOW, ATTORNEY
GENERAL OF THE STATE OF NEW
JERSEY FOR THE STAFF OF THE
BOARD OF PUBLIC UTILITIES

By: 

Cynthia Holland
Deputy Attorney General

STEFANIE A. BRAND, DIRECTOR
DIVISION OF RATE COUNSEL

By: _____

Christine M. Juarez
Asst. Deputy Rate Counsel

NEW JERSEY-AMERICAN WATER
COMPANY, INC.

MIDDLESEX WATER COMPANY

By: _____

Suzana Duby
Corporate Counsel

By: _____

Kenneth Quinn
Vice President, General Counsel,
Secretary and Treasurer

Dated:

whatsoever are made to this Stipulation, each of the Parties hereto is entitled to certain procedures in the event of such occurrence.

12. If any modification is made to the terms of this Stipulation, the signatory Parties must be given the right to be placed in the position in which each Party was before this Stipulation was executed. It is essential that each party be given the option either to modify its own position, to accept the proposed change(s) or to resume the proceeding as if no agreement had been reached.

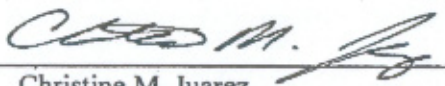
13. The Parties believe that these procedures are fair to all concerned and, therefore, they are made an integral and essential element of this Stipulation.

14. This Stipulation may be executed in as many counterparts as there are signatories to this Stipulation, each of which counterpart shall be an original, but all of which shall constitute one and the same instrument.

PAULA T. DOW, ATTORNEY
GENERAL OF THE STATE OF NEW
JERSEY FOR THE STAFF OF THE
BOARD OF PUBLIC UTILITIES

STEFANIE A. BRAND, DIRECTOR
DIVISION OF RATE COUNSEL

By: _____
Cynthia Holland
Deputy Attorney General

By: 
Christine M. Juarez
Asst. Deputy Rate Counsel

NEW JERSEY-AMERICAN WATER
COMPANY, INC.

MIDDLESEX WATER COMPANY

By: _____
Suzana Duby
Corporate Counsel

By: _____
Kenneth Quinn
Vice President, General Counsel,
Secretary and Treasurer

Dated: 7/9/10

whatsoever are made to this Stipulation, each of the Parties hereto is entitled to certain procedures in the event of such occurrence.

12. If any modification is made to the terms of this Stipulation, the signatory Parties must be given the right to be placed in the position in which each Party was before this Stipulation was executed. It is essential that each party be given the option either to modify its own position, to accept the proposed change(s) or to resume the proceeding as if no agreement had been reached.

13. The Parties believe that these procedures are fair to all concerned and, therefore, they are made an integral and essential element of this Stipulation.

14. This Stipulation may be executed in as many counterparts as there are signatories to this Stipulation, each of which counterpart shall be an original, but all of which shall constitute one and the same instrument.

PAULA T. DOW, ATTORNEY
GENERAL OF THE STATE OF NEW
JERSEY FOR THE STAFF OF THE
BOARD OF PUBLIC UTILITIES

STEFANIE A. BRAND, DIRECTOR
DIVISION OF RATE COUNSEL

By: _____
Cynthia Holland
Deputy Attorney General

By: _____
Christine M. Juarez
Asst. Deputy Rate Counsel

NEW JERSEY-AMERICAN WATER
COMPANY, INC.

MIDDLESEX WATER COMPANY

By: Suzana Duby
Suzana Duby
Corporate Counsel

By: _____
Kenneth Quinn
Vice President, General Counsel,
Secretary and Treasurer

Dated: 7/9/10

whatsoever are made to this Stipulation, each of the Parties hereto is entitled to certain procedures in the event of such occurrence.

12. If any modification is made to the terms of this Stipulation, the signatory Parties must be given the right to be placed in the position in which each Party was before this Stipulation was executed. It is essential that each party be given the option either to modify its own position, to accept the proposed change(s) or to resume the proceeding as if no agreement had been reached.

13. The Parties believe that these procedures are fair to all concerned and, therefore, they are made an integral and essential element of this Stipulation.

14. This Stipulation may be executed in as many counterparts as there are signatories to this Stipulation, each of which counterpart shall be an original, but all of which shall constitute one and the same instrument.

PAULA T. DOW, ATTORNEY
GENERAL OF THE STATE OF NEW
JERSEY FOR THE STAFF OF THE
BOARD OF PUBLIC UTILITIES

STEFANIE A. BRAND, DIRECTOR
DIVISION OF RATE COUNSEL


By: _____
Cynthia Holland
Deputy Attorney General

By: _____
Christine M. Juarez
Asst. Deputy Rate Counsel

NEW JERSEY-AMERICAN WATER
COMPANY, INC.

MIDDLESEX WATER COMPANY

By: _____
Suzana Duby
Corporate Counsel

By:  _____
Kenneth Quinn
Vice President, General Counsel,
Secretary and Treasurer

Dated:

[illegible]

Notes:

(1) Purchased Water expense 03/10 reflects actuals except for line 8, the NUWSA - Water Manasquan Invoice was paid on April 9, 2010 but should be reflected in March 2010 for the PWAC. This invoice will be included in the PWAC filing ending 3/31/11.

(2) Reflects credit against prior period debt service payments.

(3) Incorrect accounting entries.

(4) Elimination of interest charges or late fees.

New Jersey American Water Company
Statement of PWAC True Up Schedule - Revenue and Operating Expense - PWAC Water Service
Prior PWAC Year 4/1/09 - 3/31/10

New Jersey American Water Company
BPU Docket No. WR10020148
Witness Responsible: John M. Watkins

Line	No.	Purchased Water	Note (1)	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Total
1																	
2		Total Billed PWAC Revenue (non-expt. & exempt) (2)		\$2,174,820	\$2,118,978	\$2,516,843	\$3,633,156	\$3,172,474	\$3,747,228	\$2,463,848	\$2,459,381	\$2,528,517	\$2,264,393	\$2,455,082	\$2,455,082	\$2,455,082	\$31,654,130
3		Less: Exempt PWAC Revenue (from In. 49)		72,033	67,291	61,076	62,521	64,412	67,171	65,805	65,845	73,143	78,008	76,901	76,901	76,901	814,391
4		Non-Exempt PWAC Revenue		\$2,102,787	\$2,156,687	\$2,505,767	\$3,570,635	\$3,108,062	\$3,680,057	\$2,398,043	\$2,393,536	\$2,455,374	\$2,186,385	\$2,378,181	\$2,378,181	\$2,378,181	\$30,839,739
5		GRFT tax rate (3)		13.75%	13.75%	13.75%	13.75%	13.75%	13.75%	13.75%	13.75%	13.75%	13.75%	13.75%	13.75%	13.75%	13.75%
6		PWAC Non-expt. Rev. net of GRFT (In. 4 & 100% In. 6)		\$1,813,654	\$1,855,830	\$2,161,224	\$3,071,048	\$2,678,324	\$3,361,562	\$2,068,313	\$2,063,562	\$2,117,760	\$1,885,748	\$2,081,161	\$2,081,161	\$2,081,161	\$26,599,275
7		Add Back: Exempt PWAC Revenue (In. 3)		72,033	67,291	61,076	62,521	64,412	67,171	65,805	65,845	73,143	78,008	76,901	76,901	76,901	814,391
8		PWAC Revenue net of GRFT		\$1,885,687	\$1,923,121	\$2,222,300	\$3,133,569	\$2,613,912	\$3,294,391	\$2,002,508	\$1,997,717	\$2,044,617	\$1,863,756	\$2,004,260	\$2,004,260	\$2,004,260	\$27,413,666
9		Less: Uncollectibles & BPU/DV Rate Counsel Exp. Factor (3)		0.9508	0.9508	0.9508	0.9508	0.9508	0.9508	0.9508	0.9508	0.9508	0.9508	0.9508	0.9508	0.9508	0.9508
10		PWAC Rev. net of GRFT, Uncoll., BPU/DV exp. (In. 9 & 11)		\$1,866,339	\$1,905,428	\$2,201,855	\$3,104,740	\$2,612,155	\$3,227,403	\$1,992,550	\$1,991,760	\$2,034,609	\$1,848,800	\$1,984,352	\$1,984,352	\$1,984,352	\$27,161,460
11		Less: PWAC True-up Under-recovery of \$1,132,394															
12		from PWAC Year 4/08-3/09 divided by 12 mos. (4)		94,369	94,365	94,365	94,365	94,365	94,365	94,365	94,365	94,365	94,365	94,365	94,365	94,365	1,132,394
13		Less: PWAC Filing Cost Authorized (4)		2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	27,000
14		Total PWAC Revenues net of Cost recoveries detailed above		\$1,771,720	\$1,808,813	\$2,105,240	\$3,008,125	\$2,415,540	\$3,225,143	\$1,990,291	\$1,989,510	\$2,012,100	\$1,844,185	\$1,971,885	\$1,971,885	\$1,971,885	\$26,002,076
15		Total Purchased Water Exp. as Adjusted (per Sch. JWV-1, In. 48)		1,668,289	1,841,837	2,682,333	1,870,366	1,841,291	3,271,713	2,281,931	2,281,931	1,891,242	3,066,668	1,493,205	1,907,565	2,781,916	26,788,358
16		Total PWAC True-Up Balance		(896,569)	(3,028,024)	(576,093)	(862,241)	(425,751)	(4,046,570)	(281,640)	(292,421)	(179,142)	(1,222,483)	(521,365)	(926,680)	(809,031)	\$766,280
17		(Over-Recovered) / Under-Recovered (In. 21 - 19)		(896,569)	(3,028,024)	(576,093)	(862,241)	(425,751)	(4,046,570)	(281,640)	(292,421)	(179,142)	(1,222,483)	(521,365)	(926,680)	(809,031)	\$766,280
18		Interest Calculation															
19		Total PWAC Cumulative True-up Balance		\$954,584	\$893,243	\$1,585,971	\$353,847	\$314,767	\$238,960	\$238,960	\$124,665	\$136,377	\$821,784	\$146,482	\$110,618	\$786,280	
20		(Over-Recovered) / Under-Recovered (In. 21 - 19)		\$954,584	\$893,243	\$1,585,971	\$353,847	\$314,767	\$238,960	\$238,960	\$124,665	\$136,377	\$821,784	\$146,482	\$110,618	\$786,280	
21		Average of the Current & Prior months Cumulative True-up Balances (Over rec.) / Under rec.		1,043,484	923,914	1,239,607	969,909	19,540	(37,903)	(37,903)	181,813	(5,831)	342,729	484,136	128,555	448,449	
22		Overall ROR Per Docket BPU-WR06010020 (6)		8.3955%	8.3955%	8.3955%	8.3955%	8.3955%	8.3955%	8.3955%	8.3955%	8.3955%	8.3955%	8.3955%	8.3955%	8.3955%	
23		Monthly Overall Rate of Return		0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	
24		Interest on True-up Balances - (Over) / Under		\$7,304	\$6,467	\$8,677	\$6,789	\$137	(\$265)	(\$265)	\$1,273	(\$41)	\$2,399	\$3,389	\$900	\$3,139	\$40,168
25		Total PWAC (Over-Recovered) / Under-Recovered, Including Interest (7)															
26		Exempt (from GRFT) Customer Actual Water Sales (100% credit) (7)															
27		Cogen (Buyback) - OW		111,071	101,401	81,913	88,029	82,569	76,381	58,968	61,395	73,570	73,570	92,177	103,852	106,706	1,038,033
28		Aque NJ Water Co. - SFR-CD		9,102	8,675	9,265	8,755	8,882	7,900	7,838	8,603	8,512	8,512	8,969	9,015	8,204	103,718
29		Lawrenceville Water Co. - SFR-SOS		14,155	12,092	13,538	12,860	13,142	13,179	12,851	13,446	13,093	13,093	13,711	13,850	13,850	159,385
30		Middlesex Water Co. - SFR-SOS		82,182	89,131	86,998	86,393	88,347	92,200	87,899	102,802	94,227	94,227	92,332	94,397	89,652	1,096,560
31		Roadless Water Co. - SFR Reg. OMS		725	775	955	1,050	1,305	1,330	860	860	660	660	780	630	725	10,425
32		Total Exempt Customer Actual Water Sales		227,235	212,274	192,660	197,227	194,245	190,960	168,284	187,106	190,062	190,062	207,969	221,804	218,655	2,408,521
33		Exempt PWAC Rate per 1000 gals. (8)		\$0.3170	\$0.3170	\$0.3170	\$0.3170	\$0.3170	\$0.3170	\$0.3170	\$0.3170	\$0.3170	\$0.3170	\$0.3170	\$0.3170	\$0.3170	\$0.3170
34		Exempt PWAC Revenue		\$72,033	\$67,291	\$61,076	\$62,521	\$64,412	\$67,171	\$65,805	\$65,845	\$73,143	\$78,008	\$76,901	\$76,901	\$76,901	\$814,391

Notes: (1) March 2009 represents Total PWAC True-up balance per Schedule HER-3 - Per Settlement, BPU Docket #WR06040303.
(2) Billed PWAC water revenues are based on actuals.
(3) GRFT rate and Uncollectible/BPU Rate Counsel expense factor utilized herein is per Schedule HER-3 - Per Settlement, BPU Docket #WR06040303.
(4) Amount per the 2009 PWAC Rate Filing BPU Docket #WR06040303, Schedule HER-3 - Per Settlement (lines 3 and 4).
(5) The 24 of the current month plus line 28 of the prior month less line 15 of the current month.
(6) The ROR utilized for the period 4/1/09 - 3/31/10 is based upon the ROR per Board Order in the 2008 Base Rate Case BPU Docket #WR06010020.
(7) Water sales for all utilities were based upon actual monthly water sales for April 2009 through March 2010.
(8) For Settlement - provided exempt rate reflects 18 days of the PWAC rate of \$0.3170 effective 10/23/08 per BPU Docket #WR06050371 and 13 days of the PWAC rate of \$0.3517 effective 8/1/09 per BPU Docket #WR06040303.

New Jersey American Water Company
Statement of Pro Forma PWAC
PWAC Year 4/1/2010-3/31/2011

New Jersey American Water Company
BPU Docket No. WR10020146
Witness Responsible: John M. Watkins

Revised 6/15/2010
Schedule JMW 3
PWAC Filing Year: 4/1/2010 - 3/31/2011
Page 1

CALCULATION of PWAC Rates for Year 4/1/2010-3/31/2011 Without Compression (regular calc.)									
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	CALCULATION of PWAC Rates for Year 4/1/2010-3/31/2011 With Compression (4)								
2	Pro forma Purchased Water Exp. - PWAC Year 4/1/10-3/31/11 (Schd. RRS-1)	Regular Calc.							
3	PWAC True-up from PWAC Year 4/1/09-3/31/10 (Schedule JMW-2)	\$29,451,259							
4	Pro forma filing costs @ 50% (Schedule JMW-12)	786,280							
5		6,000							
6	sub-total (lines 2-3+4)	\$29,243,539							
7									
8	Gross-up factor for Uncollect. Exp. & Actual 2009 BPU / Div. Rate Counsel Assessments (1)	0.9911							
9									
10	PWAC for Recovery 4/1/10-3/31/11 pre-GRFT (line 6 / 8)	\$29,506,144							
11									
12	Total Projected Water Sales subject to PWAC (1000 gallons) (line 4) (3)	\$4,375,488							
13									
14	PWAC Exempt Rate per 1000 gallons (line 10 / 12)	\$0.3487							
15									
16	PWAC Non-Exempt Rate per 1000 gals. (line 14 / grossed up for GRFT @ 13.76%) (2)	\$0.4055							
17									
18									
19									
20									
21									
22	Projected Exempt Water Sales subject to PWAC (1000 gallons) (line 5) (3)	2,504,319							
23	PWAC Exempt Rate per 1000 gallons (line 14)	\$0.3487							
24	PWAC Exempt Revenue	\$375,760							
25									
26	Non-Exempt Sales								
27	Non-Exempt PWAC recovery pre-GRFT (line 10 - 24)	\$28,630,394							
28	Non-Exempt PWAC recovery grossed-up for GRFT (line 27 / (100% - 13.76%))	\$33,180,487							
29									
30	Projected Non-exempt Water Sales subject to PWAC (1000 gallons) (line 5) (3)	81,871,167							
31	PWAC Non-Exempt Rate per 1000 gallons (line 16)	\$0.4055							
32	PWAC Non-Exempt Revenue	\$33,198,738							
33									
34	Total PWAC Revenue (ln. 24 + 32)	\$34,074,518							
35									
36									
37									
38									
39									
40									
41									
42									
43									
44									
45									
46									
47									
48									
49									
50									
51									
52									
53									
54									
55									
56									
57									
58									
59									
60									
61									
62									
63									
64									
65									
66									
67									
68									

Notes:

(1) Uncollectible rate @ 0.72% per NJAWC 2009 Base Rate Case (BPU Docket #WR08010020) as Authorized and 2009 Actual Assessment Rates @ 0.1725-0.2443549% (combined: BPU = 0.143282525888%, Rate Counsel = 0.02925981406%.)

Gross-up factor: (100% - (0.72% + 0.1725-0.2443549%)) or 99.11%

(2) NJAWC Authorized 2010 Effective GRFT rate @ 13.76%.

(3) Water Sales (1000 gals.)

Area	Exempt	Non-Exempt	Total
SA1, SA-1A & SA-1B	116,230	45,564,698	45,680,928
SA2	2,368,089	34,743,508	37,111,597
SA3	0	1,585,161	1,585,161
NJAWC Total Authorized Water Sales	2,504,319	81,871,167	84,375,486
Less: Manassquan	0	0	0
Pro Forma Water Sales subject to PWAC	2,504,319	81,871,167	84,375,486

Not included in the SA-1 usage data

(4) For Compression calculation, pro forma Annual water sales are multiplied by the projected percentage of time the rates will be in effect during the new PWAC Year 4/1/2010 - 3/31/2011 under current PWAC rates and the proposed PWAC rates (assumed new PWAC rates Effective 8/4/10):

Annual Water Sales Split	End Date	Percent
Current PWAC Rates 4/1/10-8/3/10	125	84.5266%
Proposed PWAC Rates 8/4/10-3/31/11	240	85.7534%
Total	365	100.00%

(5) Current PWAC rates Effective 8/19/2009 per BPU Docket #WR09040303.

New Jersey American Water Company
Statement of Lakewood Sewer Service PSTAC True Up Schedule - Revenue and Operating Expense - PSTAC Sewer Service
Prior PSTAC Year 4/1/09 - 3/31/10

Revised 6/15/2010
Schedule JMW-S
PSTAC Filing Year: 4/1/2010 - 3/31/2011
Page 1

New Jersey American Water Company
BPU Docket No. WR10020149
Witness Responsible: John M. Watkins

Line No.	Purchased Wastewater Treatment	Note (1)	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Total
1	Lakewood Sewer Service															
2	Total Billed PSTAC Revenue (2)			\$311,969	\$311,928	\$312,469	\$313,263	\$312,822	\$312,897	\$423,531	\$421,161	\$434,706	\$435,438	\$386,185	\$478,644	\$4,534,911
3	GRTI tax rate (N/A) (3)			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
4	Billed PSTAC Revenues net of GRTI			\$311,969	\$311,928	\$312,486	\$313,263	\$312,822	\$312,897	\$423,531	\$421,161	\$434,706	\$435,438	\$386,185	\$478,644	\$4,534,911
5	Less: Uncollectibles & BPU Div. Rate Counsel Exp. Factor (3)			0.9608	0.9908	0.9908	0.9908	0.9908	0.9908	0.9908	0.9908	0.9908	0.9908	0.9908	0.9908	0.9908
6	PSTAC Rev. net of GRTI, Uncoll., BPU Div. exp. (line 6'6)			\$309,099	\$309,058	\$309,594	\$310,381	\$310,043	\$309,064	\$418,635	\$417,286	\$430,707	\$431,430	\$382,832	\$474,240	\$4,483,189
7	Less: PSTAC True-up Under-recovery of \$240,462 from PSTAC Year 4/08-3/09 divided by 12 mos. (4)			20,033	20,039	20,039	20,039	20,039	20,039	20,039	20,039	20,039	20,039	20,039	20,039	240,462
8	Amort of OCUA - 2006 Deficiency Charge Voucher (5)			5,512	5,517	5,517	5,517	5,517	5,517	5,517	5,517	5,517	5,517	5,517	5,517	66,199
9	Amort of OCUA - 2007 Deficiency Charge Voucher (5)			5,623	5,624	5,624	5,624	5,624	5,624	5,624	5,624	5,624	5,624	5,624	5,624	67,487
10	Total PSTAC Revenue net of Cost recoveries detailed above			\$277,931	\$277,878	\$278,414	\$279,201	\$278,863	\$277,904	\$388,455	\$386,106	\$399,527	\$400,250	\$351,482	\$443,060	\$4,119,041
11	Total Purch. Wastewater Treat. Exp. As Adjusted - (per Schedule JMW-A, ln. 23)			0	1,082,280	0	0	1,082,280	0	0	1,082,280	0	0	1,184,910	0	4,431,750
12	Total PSTAC True-up Balance			\$277,931	\$804,402	\$278,414	\$279,201	\$803,417	\$357,804	\$388,455	\$668,174	\$399,527	\$400,250	\$833,438	\$443,060	\$312,709
13	(Over-Recovered) / Under-Recovered (ln. 19 - 17)															
14	Interest Calculation															
15	Total PSTAC Cumulative True-up Balance			\$240,462	\$720,861	\$428,408	\$129,168	\$912,546	\$534,803	\$128,100	\$802,244	\$382,878	\$37,611	\$776,806	\$312,709	
16	(Over-Recov.) / Under-Recov. (5)															
17	Average of the Current & Prior months Cumulative True-up Balances			91,480	334,860	577,635	278,768	520,857	723,575	330,358	464,177	592,481	172,854	369,099	544,259	
18	Overall Rate Of Return Per Docket BPUWR08010020 (7)			8.3955%	8.3955%	8.3955%	8.3955%	8.3955%	8.3955%	8.3955%	8.3955%	8.3955%	8.3955%	8.3955%	8.3955%	
19	Monthly Overall Rate of Return			0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	
20	Interest on True-up Balances - (Over) / Under			\$640	\$2,343	\$4,043	\$1,952	\$3,646	\$5,085	\$2,312	\$3,260	\$4,147	\$1,206	\$2,584	\$3,810	\$34,989
21	Total PSTAC (Over-Recov.) / Under-Recov. Including Interest															\$312,709

Notes:
 (1) March 2009 represents the Total PSTAC True-up balance for Lakewood Sewer per Schedule HER-11 - Per Settlement, line 2, 2009 PSTAC Rate Filing BPU Docket #WR08040303.
 (2) Billed PSTAC revenues are based on actuals.
 (3) The GRTI rate (not applicable to wastewater treatment costs) and the Unrecoverable (BPU) Rate Counsel expense factor utilized herein is per Schedule HER-11 - Per Settlement, BPU Docket #WR08040303.
 (4) Amount per the 2009 PSTAC Rate Filing BPU Docket #WR08040303, Schedule HER-11 - Per Settlement, line 2.
 (5) Amount reflects a six year amortization of the OCUA's 2008 and 2007 True-Up Deficiency charges of \$397,192 and \$404,922 respectively, per Schedule HER-10 - Per Settlement, lines 18-19, 2008 PSTAC Rate Filing BPU Docket #WR08040303.
 (6) Line 23 of the current month plus line 27 of the prior month less line 12 of the current month.
 (7) The Rate of Return utilized for the period 4/1/08 - 3/31/09 is based upon the ROR per Board Order in the 2008 Base Rate Case BPU Docket #WR08010020.

New Jersey American Water Company
Statement of Philadelphia Sewer Service Actual Purchased Wastewater Treatment Operating Expense - PSTAC Sewer Service
Prior PSTAC Year 4/1/09 - 3/31/10

New Jersey American Water Company
BPU Docket No. WR10025149
Witness Responsible: John M. Watkins

Revised 4/30/2010
Schedule JMW-6
PSTAC Filing Year: 4/1/2010 - 3/31/2011
Page 1

Line No.	Purchased Wastewater Treatment	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Note (1) Jan-10	Feb-10	Mar-10	Total
1														
2														
3	Adolphus Sewer Service													
4														
5	Accruals (2)	\$70,056	\$66,742	\$70,056	\$70,056	\$70,056	\$70,056	\$70,056	\$70,056	\$70,056	\$70,056	\$70,056	\$78,825	\$846,126
6	Total Bal. Purch. Wastewater Treat. A/C \$11100	\$70,056	\$66,742	\$70,056	\$70,056	\$70,056	\$70,056	\$70,056	\$70,056	\$70,056	\$70,056	\$70,056	\$78,825	\$846,126
7														
8														
9	Adjustments													
10	Additions/Vouchers													
11	Howell Typ - Vouchers Paid in PSTAC Year	\$210,168	\$0	\$210,168	\$0	\$0	\$0	\$210,168	\$0	\$0	\$210,167	\$0	\$0	\$940,671
12	Howell - Adjustment (4)	(4,971)											8,770	(4,671)
13	Howell - Adjustment (5)	\$205,197	\$0	\$210,168	\$0	\$0	\$0	\$210,168	\$0	\$0	\$210,167	\$0	\$8,770	\$844,470
14	Total of Additions													
15														
16														
17	Eliminations													
18	Eliminate Accruals for Account	(\$70,056)	(\$66,742)	(\$70,056)	(\$70,056)	(\$70,056)	(\$70,056)	(\$70,056)	(\$70,056)	(\$70,056)	(\$70,056)	(\$70,056)	(\$78,825)	(\$846,126)
19														
20	Total of Eliminations	(\$70,056)	(\$66,742)	(\$70,056)	(\$70,056)	(\$70,056)	(\$70,056)	(\$70,056)	(\$70,056)	(\$70,056)	(\$70,056)	(\$70,056)	(\$78,825)	(\$846,126)
21														
22	Total Purch. Wastewater Treat. Exp. As Adjusted	\$205,197	\$0	\$210,168	\$0	\$0	\$0	\$210,168	\$0	\$0	\$210,167	\$0	\$8,770	\$844,470
23														
24														

Notes:
25
26 (1) The 1/2010 quarterly payment of \$210,168 was estimated based upon last year's payments. The actual quarterly payment was invoiced in March 2010.
27 (2) Journal Entries/accruals are based on actuals.
28 (3) True-up credit actually recorded on Schedule HER-10 - Per Settlement, line 7 but not reflected on Schedule HER-6 - Per Settlement, line 13 in Docket #WR09040303.
29 (4) True-up charge March 2010 for the estimated January 2010 billing.

New Jersey American Water Company
Statement of Adolphia Sewer Service PSTAC True Up Schedule - Revenue and Operating Expense - PSTAC Sewer Service
Prior PSTAC Year 4/1/09 - 3/31/10

Revised 6/15/2010
Schedule JMW-7
PSTAC Filing Year: 4/1/2010 - 3/31/2011
Page 1

New Jersey American Water Company
BPU Docket No. WR10020149
Witness Responsible: John M. Watkins

Line No.	Purchased Wastewater Treatment	Note (1)	Mar-08	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Total
1	Adolphia Sewer Service															
2																
3																
4	Total Billed PSTAC Revenue (2)			\$610	\$185,793	\$90	\$153,279	\$63,044	\$71,285	\$64,357	\$59,680	\$56,533	\$63,210	\$57,368	\$66,192	\$851,440
5	GRTT tax rate (N/A) (3)			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
6	Billed PSTAC Revenues net of GRTT			\$610	\$185,793	\$90	\$153,279	\$63,044	\$71,285	\$64,357	\$59,680	\$56,533	\$63,210	\$57,368	\$66,192	\$851,440
7																
8	Less: Uncollectible & BPU Div. Rate Counsel Exp. Factor (3)			0.9008	0.9008	0.9008	0.9008	0.9008	0.9008	0.9008	0.9008	0.9008	0.9008	0.9008	0.9008	0.9008
9	PSTAC Rev. net of GRTT, Uncoll., BPU Div. exp. (line 8%)			\$604	\$183,992	\$86	\$151,869	\$62,464	\$70,629	\$63,765	\$59,131	\$56,013	\$62,628	\$56,840	\$65,573	\$843,608
10																
11																
12	Less: PSTAC True-up Over-recovery of (\$38,810)			(3,002)	(3,068)	(3,068)	(3,068)	(3,068)	(3,068)	(3,068)	(3,068)	(3,068)	(3,068)	(3,068)	(3,068)	(38,810)
13	from PSTAC Year 4/08-3/09 divided by 12 mos. (4)															
14																
15	Total PSTAC Revenue net of Cost recoveries detailed above			3,606	197,960	3,168	154,837	65,532	73,697	68,833	62,199	59,061	65,696	60,908	68,641	880,418
16																
17	Total Purch. Wastewater Treat. Exp. As Adjusted -			205,197	0	210,168	0	0	0	210,168	0	0	210,167	0	8,770	844,470
18	(per Schedule JMW-6, ln. 22)															
19																
20	Total PSTAC True-up Balance															
21	(Over-Recovered) / Under-Recovered (ln. 17 - 15)			\$201,531	(\$197,060)	\$207,002	(\$154,837)	(\$65,532)	(\$73,697)	(\$143,335)	(\$62,199)	(\$59,061)	(\$144,471)	(\$59,908)	(\$59,871)	(\$35,948)
22																
23	Interest Calculation															
24	Total PSTAC Cumulative True-up Balance															
25	(Over-Recovered) / Under-Recovered (5)			\$167,763	(\$28,209)	\$183,841	\$31,892	(\$30,472)	(\$101,101)	\$45,302	(\$13,629)	(\$69,842)	\$77,897	\$20,857	(\$35,846)	
26																
27	Average of the Current & Prior months Cumulative			65,487	70,787	78,826	107,927	740	(65,787)	(27,900)	15,737	(41,836)	3,928	49,277	(7,545)	
28	True-up Balance															
29																
30																
31	Overall Rate Of Return Per Docket BPU Docket #WR08010020 (6)			8.3955%	8.3955%	8.3955%	8.3955%	8.3955%	8.3955%	8.3955%	8.3955%	8.3955%	8.3955%	8.3955%	8.3955%	
32	Monthly Overall Rate of Return			0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	
33	Interest on True-up Balances - (Over) / Under			\$458	\$406	\$552	\$755	\$5	(\$461)	(\$195)	\$110	(\$283)	\$27	\$345	(\$53)	\$1,746
34																
35																
36	Total PSTAC (Over-Recovered) / Under-Recovered, Including Interest															
37																
38																
39																
40	(1) March 2009 represents the Total PSTAC True-up balance for Adolphia Sewer per Schedule HER-11 - Per Settlement, line 9, 2009 PSTAC Rate Filing BPU Docket #WR09040303.															
41	(2) Billed PSTAC revenues are based on actuals.															
42	(3) The GRTT rate (not applicable to wastewater treatment costs) and the Uncollectible/BPU Div. Rate Counsel expense factor utilized herein is per Schedule HER-11 - Per Settlement, BPU Docket #WR08040303.															
43	(4) Amount per the 2008 PSTAC Rate Filing BPU Docket #WR08040303, Schedule HER-11 - Per Settlement line 9.															
44	(5) Line 21 of the current month plus line 25 of the prior month less line 12 of the current month.															
45	(6) The Rate of Return utilized for the period 4/01/09 - 3/31/10 is based upon the ROR per Board Order in the 2008 Base Rate Case BPU Docket #WR08010020.															

Notes:
 (1) March 2009 represents the Total PSTAC True-up balance for Adolphia Sewer per Schedule HER-11 - Per Settlement, line 9, 2009 PSTAC Rate Filing BPU Docket #WR09040303.
 (2) Billed PSTAC revenues are based on actuals.
 (3) The GRTT rate (not applicable to wastewater treatment costs) and the Uncollectible/BPU Div. Rate Counsel expense factor utilized herein is per Schedule HER-11 - Per Settlement, BPU Docket #WR08040303.
 (4) Amount per the 2008 PSTAC Rate Filing BPU Docket #WR08040303, Schedule HER-11 - Per Settlement line 9.
 (5) Line 21 of the current month plus line 25 of the prior month less line 12 of the current month.
 (6) The Rate of Return utilized for the period 4/01/09 - 3/31/10 is based upon the ROR per Board Order in the 2008 Base Rate Case BPU Docket #WR08010020.

(\$35,948)

New Jersey American Water Company
Statement of Ocean City Sewer Service Actual Purchased Wastewater Treatment Operating Expense - PSTAC Sewer Service
Prior PSTAC Year 4/1/01 - 3/31/10

	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-08	Dec-09	Jan-10	Feb-10	Mar-10	Total
Purchased Wastewater Treatment													
Ocean City Sewer Service													
Accruals	\$628,937	\$630,071	\$629,164	\$629,164	\$631,894	\$629,163	\$629,164	\$629,164	\$912,819	\$682,547	\$682,547	\$682,547	\$7,597,172
Total Bal. Purch. Wastewater Treat. A/C \$51100	\$628,937	\$630,071	\$629,164	\$629,164	\$631,894	\$629,163	\$629,164	\$629,164	\$912,819	\$682,547	\$682,547	\$682,547	\$7,597,172
Adjustments													
Cape May County Municipal Utilities Authority - Vouchers (1)	\$1,856,497					\$1,853,776		\$1,853,776				\$1,943,012	\$7,501,061
CNCHUA - 2009 Deficiency Charge Voucher (1)	\$1,856,497	\$0	\$0	\$0	\$0	\$1,853,776	\$0	\$1,853,776	\$0	\$0	\$0	\$7,794	\$6,794
Total of Additions												\$2,290,806	\$7,854,855
Eliminations													
Eliminate Accruals for Account	\$628,937	\$630,071	\$629,164	\$629,164	\$631,894	\$629,163	\$629,164	\$629,164	\$912,819	\$682,547	\$682,547	\$682,547	\$7,597,172
Total of Elimination	\$628,937	\$630,071	\$629,164	\$629,164	\$631,894	\$629,163	\$629,164	\$629,164	\$912,819	\$682,547	\$682,547	\$682,547	\$7,597,172
Total Purch. Wastewater Treat. Exp. As Adjusted	\$1,856,497	\$0	\$0	\$0	\$0	\$1,853,776	\$0	\$1,853,776	\$0	\$0	\$0	\$2,290,806	\$7,854,855

New Jersey American Water Company
BPU Docket No. WR10020149
Witness Responsible: John M. Watkins

New Jersey American Water Company
Statement of Ocean City Sewer Service PSTAC True Up Schedule - Revenue and Operating Expense - PSTAC Sewer Service
Prior PSTAC Year 4/1/09 - 3/31/10

New Jersey American Water Company
BPU Docket No. WR10020149
Witness Responsible: John M. Watkins

Revised 6/15/2010
Schedule JMW-9
PSTAC Filing Year: 4/1/2010 - 3/31/2011
Page 1

Line No.	Purchased Wastewater Treatment	Note (1)	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Total
1																
2	Ocean City Sewer Service															
3																
4	Total Billed PSTAC Revenue (2)			\$560,069	\$601,041	\$600,472	\$604,204	\$651,575	\$664,427	\$689,280	\$659,173	\$646,825	\$649,502	\$652,278	\$625,531	\$7,620,064
5	GRFT tax rate (N/A) (3)			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
6	Billed PSTAC Revenues net of GRFT			\$560,069	\$601,041	\$600,472	\$604,204	\$651,575	\$664,427	\$689,280	\$659,173	\$646,825	\$649,502	\$652,278	\$625,531	\$7,620,064
7																
8	Less: Uncollectibles & BPUOW Rate Counsel Exp. Factor (3)			0.9508	0.9508	0.9508	0.9508	0.9508	0.9508	0.9508	0.9508	0.9508	0.9508	0.9508	0.9508	0.9508
9	PSTAC Rev. net of GRFT, Uncol., BPUOW exp. (line 8)			\$594,152	\$595,511	\$599,902	\$604,732	\$645,581	\$658,314	\$683,123	\$653,109	\$640,874	\$643,527	\$646,277	\$610,776	\$7,558,876
10																
11																
12	Less: PSTAC True-up Under-recovery of \$332,199			27,683	27,683	27,683	27,683	27,683	27,683	27,683	27,683	27,683	27,683	27,683	27,683	332,199
13	from PSTAC Year 4/08-3/09 divided by 12 mos. (4)															
14																
15	Total PSTAC Revenue net of Cost recoveries detailed above			\$666,446	\$678,828	\$677,219	\$671,048	\$717,858	\$700,631	\$718,440	\$625,426	\$613,191	\$615,844	\$618,594	\$592,093	\$7,226,679
16																
17	Total Purch. Wastewater Treat. Exp. As Adjusted -			1,856,487	0	0	0	0	1,853,776	0	1,853,776	0	0	0	2,290,806	7,854,655
18	(per Schedule JMW-4, ln. 19)															
19																
20	Total PSTAC True-up Balance			\$1,280,031	(\$567,828)	(\$572,219)	(\$571,049)	(\$617,898)	\$1,223,145	(\$635,440)	\$1,228,350	(\$613,191)	(\$615,844)	(\$618,594)	\$1,598,713	\$628,176
21	(Over-Recovered) / Under-Recovered (ln. 17 - 15)															
22																
23	Interest Calculation															
24	Total PSTAC Cumulative True-up Balance			\$332,199	\$1,584,544	\$999,033	\$399,131	(\$199,601)	(\$645,182)	(\$312,843)	\$887,824	\$246,950	(\$396,577)	(\$1,042,854)	\$628,176	
25	(Over-Recovered) / Under-Recovered (5)															
26																
27	Average of the Current & Prior months Cumulative			\$63,372	1,286,789	699,082	99,765	(\$22,392)	(\$247,461)	19,718	287,490	567,387	(\$74,814)	(\$719,716)	(\$207,339)	
28	True-up Balances															
29																
30																
31	Overall Rate Of Return Per Docket BPUOWR0010020 (6)			8.3955%	8.3955%	8.3955%	8.3955%	8.3955%	8.3955%	8.3955%	8.3955%	8.3955%	8.3955%	8.3955%	8.3955%	
32	Monthly Overall Rate of Return			0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	
33	Interest on True-up Balances - (Over) / Under			\$8,744	\$9,078	\$4,884	\$988	(\$3,657)	(\$1,732)	\$131	\$2,012	\$3,972	(\$524)	(\$5,036)	(\$1,451)	\$15,127
34																
35																
36	Total PSTAC (Over-Recov.) / Under-Recov. Including Interest															\$628,176
37																

Notes:

38 (1) March 2009 represents the Total PSTAC True-up balance for Ocean City Sewer per Schedule HER-11 - Per Settlement, line 16, 2008 PSTAC Rate Filing BPU Docket #WR08040303.

39 (2) Billed PSTAC revenues are based on actuals.

40 (3) The GRFT rate (not applicable to wastewater treatment costs) and the Uncollectible/BPUOW Rate Counsel expense factor utilized herein is per Schedule HER-11 - Per Settlement, BPU Docket #WR08040303.

41 (4) Amount per the 2009 PSTAC Rate Filing BPU Docket #WR08040303, Schedule HER-11 - Per Settlement, line 16.

42 (5) Line 21 of the current month plus line 25 of the prior month less line 12 of the current month.

43 (6) The Rate of Return utilized for the period 4/01/09 - 3/31/10 is based upon the ROR per Board Order in the 2008 Base Rate Case BPU Docket #WR08010020.

New Jersey American Water Company
Summary Statement of Pro Forma Purchased Wastewater Treatment Expense
PSTAC Year 4/1/2010-3/31/2011

New Jersey American Water Company
BPU Docket No. WR10020149
Witness Responsible: John M. Watkins

Revised 4/30/2010
Schedule JMW-10
PSTAC Filing Year: 4/1/2010 - 3/31/2011
Page 1

Line No.	Sewer Service Tariff Area / Vendor	Estimated Calendar Year 2010 Annual Charge	Projected Increase Effective 1/1/2011	Projected Calendar Year 2011 Annual Charge	Pro Forma PSTAC Year 4/1/10-3/31/11 Expense
	(1)	(2)	(3)	(4)	(5)
1	<u>Adelphia Sewer Service</u>				
2	Howell Township	\$875,748 (1)	0.0% (2)	\$875,748	
3	Annual Charge:				
4	@ 9/12ths	656,811			
5	@ 3/12ths			218,937	
6	Pro forma Annual Cost PSTAC Yr. 4/1/2010-3/31/2011				\$875,748
7	Adjust 1st Quarter 2010 Estimated pymt to Actual				0
8					
9	Total Pro forma Costs PSTAC Yr. 4/1/2010-3/31/2011				<u>\$875,748</u>
10					
11	<u>Lakewood Sewer Service</u>				
12	Ocean County Utilities Authority	\$4,739,640	0.0% (2)	\$4,739,640	
13	Annual Charge:				
14	@ 9/12ths	3,554,730			63,348
15	@ 3/12ths			1,184,910	
16	Pro forma Annual Cost PSTAC Yr. 4/1/2010-3/31/2011				\$4,739,640
17	OCUA's 2009 True-Up Deficiency Chg.				236,415 (3)
18	OCUA's 2008 True-Up Deficiency Chg.				66,199 (4)
19	OCUA's 2007 True-Up Deficiency Chg.				67,487 (4)
20					
21	Total Pro forma Costs PSTAC Yr. 4/1/2010-3/31/2011				<u>\$5,109,741 (5)</u>
22					
23	<u>Ocean City Sewer Service</u>				
24	Cape May County Municipal Utilities Authority	\$7,772,048	3.49% (6)	\$8,043,292	
25	Annual Charge:				
26	@ 9/12ths	5,829,036			
27	@ 3/12ths			2,010,823	
28	Pro forma Annual Cost PSTAC Yr. 4/1/2010-3/31/2011				\$7,839,859
29					
30	CMCMUA's Estimated 2009 Deficiency (7)				0
31					
32	Total Pro forma Costs PSTAC Yr. 4/1/2010-3/31/2011				<u>\$7,839,859</u>
33					
34					
35					
36					
37	Total PSTAC Costs for PSTAC Year 4/1/2010-3/31/2011				<u>\$13,825,348</u>
38					
39					
40					
41					

- Notes:
- (1) Actual 2010 annual charge utilizes (i) Actual 2010 rate per Howell Twp. letter dated 12/29/2009 of \$4,572 per million gallons and (ii) 9/2009-2/2010 actual wastewater flows.
- (2) Reflects no change to the Annual Charge at this time.
- (3) Amount reflects the OCUA 2009 anticipated True-Up Deficiency charge.
- (4) Amount reflects a continuation of six year amortization of the OCUA's 2008 and 2007 True-Up Deficiency charges of \$397,192 and \$404,922 respectively, authorized in Docket No. WR09040303.
- (5) OCUA True-Up Deficiency/Credit for 2010 is herein estimated at \$0.
- (6) CMCMUA's estimated overall user's increase effective 1/1/2011 per their 2010 User Charge System Rate Setting Report.
- (7) CMCMUA's 2009 True-Up Deficiency Charge is reflected on Schedule JMW-8 and Note 1 therein.

New Jersey American Water Company
Statement of Pro Forma PSTAC
PSTAC Year 4/1/2010-3/31/2011

New Jersey American Water Company
BPU Docket No. WR10020149
Witness Responsible: John M. Watkins

Revised 4/30/2010
Schedule JMW-11
PSTAC Filing Year: 4/1/2010 - 3/31/2011
Page 1

Line No.	CALCULATION of PSTAC Rates for Year 4/1/10-3/31/11 Without Compression (regular calc.)		Calculation of PSTAC Rates for Year 4/1/2010-3/31/2011 With Compression (4)	
	(1)	(2) Regular Calc.	(3) 4/1/10-7/13/10 Under Current Rates (5)	(4) 7/14/10-3/31/11 Under Proposed Compressed Rates
Lakewood Sewer Service				
1	Pro Forma Purchased Wastewater Treatment Expense - PSTAC Year 4/01/2010-3/31/2011 (Schedule JMW-10)	\$5,109,741	Portion of new PWAC Year (4)	
2	PSTAC True-up from PSTAC Year 4/01/09-3/31/10 (Schedule JMW-5)	312,709		
3	sub-total (lines 1 + 2)	\$5,422,450		
4	Gross-up factor for Uncollectibles Exp. & Actual 2009 BPU / Div. Rate Counsel Assessments (1)	0.9911		
5	PSTAC for Recovery 4/1/2010-3/31/2011 (line 3 / 4)	\$5,471,143	\$1,742,168	\$3,728,975
6	Total Projected Sewer Service Sales subject to PSTAC (1000 gallons) (2) (4)	1,110,412	380,278	730,134
7	PSTAC per 1000 gallons (line 5 / 6) (3)	\$4.9271	\$4.5813	\$5.1072
Adelphia Sewer Service				
8	Pro Forma Purchased Wastewater Treatment Expense - PSTAC Year 4/01/2010-3/31/2011 (Schedule JMW-10)	\$875,748		
9	PSTAC True-up from PSTAC Year 4/01/09-3/31/10 (Schedule JMW-7 per Settlement)	(35,946)		
10	sub-total (lines 8 + 9)	\$839,802		
11	Gross-up factor for Uncollectibles Exp. & Actual 2009 BPU / Div. Rate Counsel Assessments (1)	0.9911		
12	PSTAC for Recovery 4/1/2010-3/31/2011 (line 10 / 11)	\$847,343	\$276,182	\$572,161
13	Total Projected Sewer Service Sales subject to PSTAC (1000 gallons) (2) (4)	179,897	61,809	118,288
14	PSTAC per 1000 gallons (line 12 / 13) (3)	\$4.7102	\$4.4681	\$4.8373
Ocean City Sewer Service				
15	Pro Forma Purchased Wastewater Treatment Expense - PSTAC Year 4/01/2010-3/31/2011 (Schedule JMW-10)	\$7,839,859		
16	PSTAC True-up from PSTAC Year 4/01/09-3/31/10 (Schedule JMW-8)	628,176		
17	sub-total (lines 15 + 16)	\$8,468,035		
18	Gross-up factor for Uncollectibles Exp. & Actual 2009 BPU / Div. Rate Counsel Assessments (1)	0.9911		
19	PSTAC for Recovery 4/1/2010-3/31/2011 (line 17 / 18)	\$8,544,077	\$2,645,660	\$5,898,417
20	Total Projected Sewer Service Sales subject to PSTAC (1000 gallons) (2) (4)	366,510	125,517	240,993
21	PSTAC per 1000 gallons (line 19 / 20) (3)	\$23.3120	\$21.0781	\$24.4755

Notes:

- (1) Uncollectible rate @ 0.72% per NJAWC 2008 Base Rate Case (BPU Docket # WR08010020) as Authorized and 2009 Actual Assessment Rates @ 0.202288627199% (combined)
(BPU = 0.170939311238%, Rate Counsel = 0.03134931596%,) Gross-up factor (100% - (0.72% + 0.202288627199%)) or 99.08%
- (2) Sewer Service Sales based on actual 2008 & 2009 wastewater consumption.
- (3) Gross-up for GRFT not applicable - wastewater treatment costs are deductible from Gross Receipts when computing GRFT
- (4) For Compression calculation, pro forma Annual water sales are multiplied by the projected percentage of time the rates will be in effect during the new PSTAC Year 4/1/2009 - 3/31/2010 under current PSTAC rates and the proposed PSTAC rates (assumed new PSTAC rates Effective 7/14/10):
- | Annual Sales (\$M) | # of Days | Percent |
|------------------------------------|-----------|----------|
| Current PWAC Rates 4/1/10-8/3/10 | 125 | 34.2466% |
| Proposed PWAC Rates 8/4/10-3/31/11 | 240 | 65.7534% |
| Total | 365 | 100.00% |
- (5) Current PSTAC rates Effective 8/19/2009 per BPU Docket #WR09040303.

New Jersey American Water Company
Pro Forma PSTAC-Supporting Sewer Service Sales Worksheet
PSTAC Year 4/1/2010-3/31/2011

New Jersey American Water Company
BPU Docket No. WR10020149
Witness Responsible: John M. Watkins

Schedule JMW-11
PSTAC Filing Year: 4/1/2010 - 3/31/2011
Page 2

Pro forma Lakewood Sewer Service Sales:

Total Sales Lakewood	<u>1,110,412 (1)</u>
	<u>1,110,412</u>

Pro forma Adelphia Sewer Service Sales:

Total Sales Adelphia	<u>179,897 (1)</u>
	<u>179,897</u>

Pro forma Ocean City Sewer Service Sales:

Total Sales Ocean City	<u>366,510 (2)</u>
	<u>366,510</u>

Notes:

- (1) Source: NJAWC 2008 & 2009 Actual wastewater consumption.
- (2) Source: prorated usage using 3/12 of 2008 & 9/12 of 2009 Actual wastewater consumption.

New Jersey American Water Company
Statement of Pro Forma Filing Costs
PWAC Year 4/1/2010-3/31/2011

New Jersey American Water Company
BPU Docket No. WR1002
Witness Responsible: John M. Watkins

Schedule JMW-12
PWAC Filing Year: 4/1/2010 - 3/31/2011
Page 1

Line No.		Estimated Pro Forma Filing Costs (2)
1		
2		
3		
4		
5	Legal	\$0
6	Public Noticing	10,000
7	Court Reporting	2,000
8		
9	Total Pro Forma Filing Costs	<u>\$12,000 (1)</u>
10		
11		
12		
13	(1) These costs carry to Schedule JMW - 3 for inclusion in PWAC recovery at 50%.	

New Jersey American Water Company
Statement of Pro Forma Purchased Water Expense
PWAC Year 4/1/2010-3/31/2011

New Jersey American Water Company
BPU Docket No. WR10020149
Witness Responsible: John M. Watkins

Revised 4/30/2010
Schedule RRS-1
PWAC Filing Year: 4/1/2010 - 3/31/2011
Page 1

Purchased Water Vendor	Actual PWAC Year 4/1/09-3/31/10 Purchases (MGY)	Annual Contract Minimum (MGY)	Pro Forma Purchases (MGY)	Pro Forma Rate per MG	Pro Forma PWAC Year 4/1/2010-3/31/2011 Expense
(1)	(2)	(3)	(4)	(5)	(6)
Passaic Valley Water Commission (PVWC): PVWC - power component	3,652.820	3,777.750	3,859.920 (1a)	\$1,927.18 (1)	\$7,438,761 \$745,818 (2)
Morris County Municipal Utilities Authority	212.110	237.000	237.000	\$2,328.00 (3)	\$551,736
Montclair Water Bureau	147.420		147.420	\$1,737.97 (4)	\$256,212
New Jersey Water Supply Authority (NJWSA)					
Manasquan:	4,562.500				
Contract @ Initial rate		2,943.725	2,943.725	\$1,003.58 (5)	\$2,954,206
Contract @ Delayed rate		1,618.775	1,618.775	\$1,192.93 (5a)	\$1,931,065
Power component					\$370,021 (5b)
Overdraft service	1.293		3.231		\$4,114 (5c)
Raritan:					
Contract	46,209.000	46,209.000	46,209.000	\$231.00 (6)	\$10,674,279
Legislative grant	1,062.150	1,062.150	1,062.150	\$0.00	\$0
Overdraft service	1,440.260		1,440.260		\$742,734 (6a)
Retroactive Debt Service					\$200,301 (6b)
Credit against Retroactive Debt Serv. Pymts					(\$190,385) (6c)
Atlantic City Municipal Utilities Authority:					
Base rate	180.000	180.000	180.000	\$3,237.97 (7)	\$582,836
Excess rate	372.212	372.822	372.822	\$2,752.67 (7)	\$1,026,256
Township of Maple Shade	6.358		6.358		\$43,893 (8)
Borough of Seaside Heights	73.472		73.472	\$2,750.00 (9)	\$202,048
Shorelands Water Company:					
Union Beach connections:	167.446				
Sale for Resale rate		182.500	169.665	\$1,988.00 (10)	\$337,294
Backup bulk sales rate			12.835	\$3,395.00 (10)	\$43,575
Fixed chg: 2 - 4" meter (per mo.)				\$199.62 (10)	\$4,791
Fixed chg: 2 - 6" meter (per mo.)				\$399.25 (10)	\$9,582
Union Beach Deficiency bill					\$34,461 (11)
Holmdel connection:					
Backup bulk sales rate	12.035		12.035	\$3,395.00 (10)	\$40,859
Fixed chg: 1 - 6" meter (per mo)				\$399.25 (10)	\$4,791
Marlboro MUA	92.049	91.250	92.049	\$3,633.24 (12)	\$334,436
City of Wildwood	35.005	35.000	44.232 (1a)	\$2,360.00 (13)	\$104,368
East Windsor Municipal Utilities Authority	1.599		1.599	\$1,981.86 (14)	\$3,169
Demand equalization					
			58,486.548		\$26,451,259

Notes: (1) Prorated Rate - 9 months of actual effective 1/1/2010 and 3 months estimated increase of 4% effective 1/1/2011.
(1a) 2 year average of usage for the 12 months ended 3/31/2009 and 3/31/2010.
(2) Actual Power costs for PWAC Year 4/1/09-3/31/10.
(3) Present rates - Effective 4/1/08
(4) Present rates - Effective 11/1/08
(5) Prorated rate - 3 months of actual rate Eff. 7/1/09-6/30/10 \$980.05 per mg and 9 mos. of NJWSA's actual 7/1/10-6/30/11 rate \$1,011.39 per mg.
(5a) Prorated rate - 3 months of actual rate Eff. 7/1/09-6/30/10 \$1,175.03 per mg and 9 mos. of NJWSA's actual 7/1/10-6/30/11 rate \$1,198.89 per mg.
(5b) Actual Power costs for PWAC Yr. 4/1/09-3/31/10 per Sch. JMW-1.
(5c) Estimated overdraft service charge and volume are based upon a 2 year average of the actual monthly overdraft charges per PWAC Years ended 3/09 and 3/10.
(6) Prorated rate - 3 months of actual rate Eff. 7/1/09-6/30/10 \$231.00 per mg and 9 mos. of NJWSA's actual 7/1/10-6/30/11 rate \$231.00 per mg.
(6a) Estimated overdraft service charge based upon a 3 year average of actual monthly and annual overdraft charges.
(6b) Actual annual retroactive debt service charge effective January 2008.
(6c) Estimated prior period credit against the debt service charge is based upon a 2 year average of these credits for the PWAC Years ended 3/09 and 3/10.
(7) Present rates - Effective 1/1/2010
(8) Actual costs PWAC Year 4/1/09-3/31/10. Amount reflects the elimination of interest charges.
(9) Present rates - Effective 1/31/07
(10) Present rates - Effective 11/9/04
(11) Estimated Union Beach deficiency bill based upon a 2 year average of the dollars associated with the deficiency in PWAC Years ended 3/08 and 3/09.
(12) Prorated rate reflects the average of the 12 monthly projected rates during PWAC Yr. 4/1/10 - 3/31/11. The rate incorporates MWC (Middlesex) and MTMUA components. The MWC rate component was based on the current actual rate eff. 3/17/2010 of \$2,446.53 per mg. The MTMUA component was prorated based on 11 months of the current contractual rate of \$1,184.74 and 1 month of a contractual 2% rate incr. effective 3/1/11 of \$1,208.43. The MTMUA rate increase is effective on the anniversary of the Water Service Effective Date of 3/1/09.
(13) Present rates - Effective 4/7/09.
(14) Actual costs for PWAC Year 4/1/09-3/31/10, including the elimination of interest charges.

RATE SCHEDULE O-1
PURCHASED WATER ADJUSTMENT CLAUSE (PWAC)

APPLICABILITY

Applicable to all Metered Water Customer classes served by the Company in all service areas for water service, except for Manasquan Uninterruptible Service. The PWAC charge, as defined under the Standard Terms and Conditions of this tariff, is designed to recover the cost of purchased water associated with the normal operations of the Company and allow the Company to achieve a zero or near-zero deferred balance each April 1st on its purchased water costs.

CHARACTER OF SERVICE

Continuous, except as limited by the "Standard Terms and Conditions."

PURCHASED WATER ADJUSTMENT CLAUSE (PWAC) CHARGE

In addition to all other charges for metered service, the following charges per one hundred gallons, per one thousand gallons, per 10 cubic feet and per 100 cubic feet for all sales will be made to recover purchased water costs not included in the Water Charge or any other Charge:

	Gallons Per Month	Gallons Per Quarter	Rate Per 100 Gallons	Rate Per 1,000 Gallons
Non-Exempt	All	All	\$ 0.04043	\$ 0.4043
Exempt	All	All	\$ 0.03487	\$ 0.3487

	Cubic Feet Per Month	Cubic Feet Per Month	Rate Per 10 Cubic Feet	Rate Per 100 Cubic Feet
Non-Exempt	All	All	\$ 0.030242	\$ 0.30242
Exempt	All	All	\$ 0.026083	\$ 0.26083

The PWAC Charge is also applicable to any difference between the quantity of water actually purchased by the customer and any applicable take-or-pay commitment.

FILING

The Company shall endeavor to make an annual PWAC filing no later than December 1st of each year proposing a PWAC rate to be effective on or about the following April 1st.

The notice of filing and of public hearing in the annual PWAC proceedings shall include the specific rate change proposed to be implemented on April 1st. The notice shall also include the impact of such potential increases on a benchmark bill.

The annual PWAC filing shall contain, but not be limited to, the following:

1. A reconciliation of actual versus estimated costs and revenues from the last Board approved PWAC charge for purchased water;
2. Projected rates supported by projected volumes, revenues, and projected purchased water costs;
3. Deferred balances and the timeframe over which they are proposed to be collected or returned;
4. A written explanation of the circumstances that caused the deferred balances in (3) above;
5. A written explanation of any significant activities or trends which may affect costs for the prospective period; and
6. Updated tariff sheets to reflect any change to the PWAC rate.

The benchmark bill shall be the average residential water customer bill for a twelve-month period.

(Continued)

Issued: August 4, 2010

Effective: August 4, 2010

By: John Bigelow, President
131 Woodcrest Road, Cherry Hill, New Jersey 08003
Filed pursuant to Order of the Board of Public Utilities entered in
Docket No. WR10020149 dated , 2010

RATE SCHEDULE O-1
PURCHASED WATER ADJUSTMENT CLAUSE (PWAC)
(Continued)

PROVISIONS

Interest shall be passed on to customers through the PWAC rates at the beginning of each PWAC Year succeeding any PWAC year in which any monthly purchased water costs over recovery has taken place. Any debit or credit balance in the separate deferred net revenue or separate cost of purchased water accounts shall be determined monthly. Monthly interest shall be calculated on the average of the current and prior month's ending cumulative deferred revenue or cost of purchased water balances. Interest on such water costs shall be calculated utilizing the rate of return on rate base utilized to set rates in the Company's last preceding base rate case, and shall be changed from time to time, consistent with N.J.A.C., 14:9-7.1 et seq.

The clause shall be subject to deferred accounting, consistent with N.J.A.C. 14:9-7.1, et seq.

TERMS OF PAYMENT

See Rate Schedules for applicable customer classes.

CONDITIONS

Subject to the "Standard Terms and Conditions" except as otherwise set forth in this Schedule.

RATE SCHEDULE 1-A
GENERAL METERED SERVICE

APPLICABILITY

Applicable for general residential, commercial, industrial and municipal sewer service in the City of Ocean City. The charge for sewer service shall consist of the total of the Minimum Service Charge, the Sewer Usage Charge and the Purchased Wastewater Treatment Adjustment Clause (PSTAC) Charge, as defined under the Standard Terms and Conditions in this tariff. The PSTAC charge is included within the Minimum Service Charge rates reflected below.

CHARACTER OF SERVICE

Continuous, except as limited by the "Standard Terms and Conditions."

MINIMUM SERVICE CHARGE

All sewer service customers shall pay a Minimum Service Charge in addition to the Sewer Usage Charge, if any, of \$26.20880 times the number of CCF (hundred cubic feet) or \$35.0385 times the number of thousand gallons of water usage at that property during the prior summer quarter, but in no case less than \$262.08 for non-exempt customers. Exempt charges are \$25.13751 per CCF or \$33.6063 per thousand gallons, but in no case less than \$251.38. Included within the Minimum Service Charges are \$18.30767 per CCF or \$24.4755 per 1000 gallons for the PSTAC. On a percentage basis, the PSTAC represents 69.86% (\$24.4755 / \$35.0385) non-exempt or 72.83% (\$24.4755 / \$33.6063) exempt, of the Minimum Service Charge. Summer quarter consumption shall be determined based on an initial meter reading taken in June with the concluding meter reading taken approximately 90 days thereafter in September.

SEWER USAGE CHARGE

The volume of sewer use is assumed to equal water meter registration. Charges shall be based on water consumption as indicated by water meter readings on a monthly or quarterly basis at the option of the Company.

	Gallons Per Month	Gallons Per Quarter	Rate Per 100 Gallons	Rate Per 1,000 Gallons
Non-Exempt	All	All	\$ 0.17788	\$ 1.7788
Exempt	All	All	\$ 0.15376	\$ 1.5376
	Cubic Feet Per Month	Cubic Feet Per Quarter	Rate Per 10 Cubic Feet	Rate Per 100 Cubic Feet
Non-Exempt	All	All	\$ 0.133054	\$ 1.33054
Exempt	All	All	\$ 0.115014	\$ 1.15014

TERMS OF PAYMENT

The following plan for payment of the Minimum Service Charge is offered as a convenience to our customers and does not relieve the customer of the liability to pay the entire Minimum Service Charge if sewer service is rendered for only a portion of the year.

For monthly billed customers, one-twelfth of the Minimum Service Charge shall be due and payable upon receipt of the regular bill for sewer service. For quarterly billed customers, one-third of the Minimum Service Charge shall be due and payable upon receipt of the March billing, the June billing and the September billing for sewer service.

If the Company determines by application of the following criteria that the customer's past record of payments does not warrant application of this payment plan, the Company may require payment of the entire service charge at one time rather than in installments.

1. If a customer has been terminated at least once in the past two years for non-payment of a bill for sewer service; or,
2. If a customer receives three (3) Final Reminder Notices during a twelve month period.

In addition, in the case of a reactivated account, the customer will be required to pay any installment(s) which would have been billed if the account had been active as of January 1. A new account will be required to pay a pro-rata share of the Minimum Service Charge based on the period of service to be rendered during that year.

Usage charges based upon meter readings shall be billed in arrears, on a quarterly or monthly basis at the option of the Company. Whenever service is established or is discontinued, all applicable fixed charges shall be prorated to the date of establishment or discontinuance of service.

Valid bills for service furnished under this schedule are due fifteen (15) days from the date of the postmark on the envelope in which the bill was transmitted. All bills shall list a due date.

Issued: August 4, 2010

Effective: August 4, 2010

By: John Bigelow, President

131 Woodcrest Road, Cherry Hill, New Jersey 08003

Filed pursuant to Order of the Board of Public Utilities entered in Docket
No. WR10020149 dated , 2010.

RATE SCHEDULE 1-B

PURCHASED WASTEWATER TREATMENT ADJUSTMENT CLAUSE (PSTAC)

APPLICABILITY

Applicable to all Sewer Service customer classes including general residential, commercial, industrial and municipal sewer service in the City of Ocean City. The PSTAC charge, as defined under the Standard Terms and Conditions in this tariff, is designed to recover the cost of purchased wastewater treatment and disposal costs associated with the normal operations of the Company, and allow the Company to achieve a zero or near-zero deferred balance each April 1st on its purchased wastewater treatment and disposal costs. The PSTAC charges detailed below are included on Rate Schedule 1-A within the Minimum Service Charges and are provided herein only for informational purposes. The customer will not be separately invoiced for the PSTAC charge.

CHARACTER OF SERVICE

Continuous, except as limited by the "Standard Terms and Conditions."

PURCHASED WASTEWATER TREATMENT ADJUSTMENT CLAUSE (PSTAC) CHARGE

The following are the PSTAC charges per one hundred gallons, per one thousand gallons, per 10 cubic feet, and per 100 cubic feet that are included within the Minimum Service Charge rates as set forth in Sewer-Rate Schedule 1-A to recover purchased wastewater treatment and disposal costs.

Non Exempt and Exempt	Gallons Per Month	Gallons Per Quarter	Rate Per 100 Gallons	Rate Per 1000 Gallons
	All	All	\$2.44755	\$24.4755
Non Exempt and Exempt	Gallons Per Month	Gallons Per Quarter	Rate Per 10 Cubic Feet	Rate Per 100 Cubic Feet
	All	All	\$1.830767	\$18.30767

FILING

The Company shall endeavor to make an annual PSTAC filing no later than December 1st of each year, proposing a PSTAC rate or percentage to be effective on or about the following April 1st.

The notice of filing and of public hearing in the annual PSTAC proceedings shall include the specific rate change proposed to be implemented on April 1st. The notice shall also include the impact of such potential increases on a benchmark bill.

The annual PSTAC filing shall contain, but not be limited to, the following:

1. A reconciliation of actual versus estimated costs and revenues from the last Board approved PSTAC charge for wastewater treatment and disposal;
2. Projected rates supported by projected volumes, revenues, and projected purchased wastewater treatment and disposal costs;
3. Deferred balances and the timeframe over which they are proposed to be collected or returned;
4. A written explanation of the circumstances that caused the deferred balances in (3) above;
5. A written explanation of any significant activities or trends which may affect costs for the prospective period; and
6. Updated tariff sheets to reflect any change to the PSTAC rate.

The benchmark bill shall be the average residential sewer customer bill for a twelve-month period.

TERMS OF PAYMENT

See Rate Schedule 1-A for applicable customer classes.

(Continued)

Issued: August 4, 2010

Effective: August 4, 2010

By: John Bigelow, President

131 Woodcrest Road, Cherry Hill, New Jersey 08003

Filed pursuant to Order of the Board of Public Utilities entered in Docket
No. WR10020149 dated , 2010.

RATE SCHEDULE 2-B

PURCHASED WASTEWATER TREATMENT ADJUSTMENT CLAUSE (PSTAC)

APPLICABILITY

Applicable to all Sewer Service customer classes including general residential, commercial, industrial and municipal sewer service in Lakewood Township. The PSTAC charge, as defined under the Standard Terms and Conditions in this tariff, is designed to recover the cost of purchased wastewater treatment and disposal costs associated with the normal operations of the Company, and allow the Company to achieve a zero or near-zero deferred balance each April 1st on its purchased wastewater treatment and disposal costs.

CHARACTER OF SERVICE

Continuous, except as limited by the "Standard Terms and Conditions."

PURCHASED WASTEWATER TREATMENT ADJUSTMENT CLAUSE (PSTAC) CHARGE

In addition to all other charges for general metered service, the following charges per one hundred gallons, per one thousand gallons, per 10 cubic feet and per 100 cubic feet for all sales will be made to recover purchased wastewater treatment and disposal costs not included in the Sewer Usage Charge or any other Charge as set forth in Rate Schedule 2-A of the current Tariff:

Non Exempt and Exempt	<u>Gallons Per Month</u>	<u>Gallons Per Quarter</u>	<u>Rate Per 100 Gallons</u>	<u>Rate Per 1000 Gallons</u>
	All	All	\$ 0.51072	\$5.1072
Non Exempt and Exempt	<u>Gallons Per Month</u>	<u>Gallons Per Quarter</u>	<u>Rate Per 10 Cubic Feet</u>	<u>Rate Per 100 Cubic Feet</u>
	All	All	\$ 0.382019	\$3.82019

FILING

The Company shall endeavor to make an annual PSTAC filing no later than December 1st of each year, proposing a PSTAC rate or percentage to be effective on or about the following April 1st.

The notice of filing and of public hearing in the annual PSTAC proceedings shall include the specific rate change proposed to be implemented on April 1st. The notice shall also include the impact of such potential increases on a benchmark bill.

The annual PSTAC filing shall contain, but not be limited to, the following:

1. A reconciliation of actual versus estimated costs and revenues from the last Board approved PSTAC charge for purchased wastewater treatment and disposal;
2. Projected rates supported by projected volumes, revenues, and projected purchased wastewater treatment and disposal costs;
3. Deferred balances and the timeframe over which they are proposed to be collected or returned;
4. A written explanation of the circumstances that caused the deferred balances in (3) above;
5. A written explanation of any significant activities or trends which may affect costs for the prospective period; and
6. Updated tariff sheets to reflect any change to the PSTAC rate.

The benchmark bill shall be the average residential sewer customer bill for a twelve-month period.

(Continued)

Issued: August 4, 2010

Effective: August 4, 2010

By: John Bigelow, President
131 Woodcrest Road, Cherry Hill, New Jersey 08003
Filed pursuant to Order of the Board of Public Utilities entered in
Docket No. WR10020149 dated , 2010.

RATE SCHEDULE 3-B

PURCHASED WASTEWATER TREATMENT ADJUSTMENT CLAUSE (PSTAC)

APPLICABILITY

Applicable to all Sewer Service customer classes including general residential, commercial, industrial and municipal sewer service customers provided service by the Company's Adelphia System (service area of the former Adelphia Sewer Company) in the Township of Howell in Monmouth County. The PSTAC charge, as defined under the Standard Terms and Conditions in this tariff, is designed to recover the cost of purchased wastewater treatment and disposal associated with the normal operations of the Company, and allow the Company to achieve a zero or near-zero deferred balance each April 1st on its purchased wastewater treatment and disposal costs.

CHARACTER OF SERVICE

Continuous, except as limited by the "Standard Terms and Conditions."

PURCHASED WASTEWATER TREATMENT ADJUSTMENT CLAUSE (PSTAC) CHARGE

In addition to all other charges for general metered service, the following charges per one hundred gallons, per one thousand gallons, per 10 cubic feet and per 100 cubic feet for all sales will be made to recover purchased wastewater treatment and disposal costs not included in the Sewer Usage Charge or any other Charge as set forth in Rate Schedule 3-A of the current Tariff:

	<u>Gallons Per Month</u>	<u>Gallons Per Quarter</u>	<u>Rate Per 100 Gallons</u>	<u>Rate Per 1,000 Gallons</u>
Non-Exempt and Exempt	All	All	\$ 0.48373	\$4.8373

FILING

The Company shall endeavor to make an annual PSTAC filing no later than December 1st of each year, proposing a PSTAC rate to be effective on or about the following April 1st.

The notice of filing and of public hearing in the annual PSTAC proceedings shall include the specific rate change proposed to be implemented on April 1st. The notice shall also include the impact of such potential increases on a benchmark bill.

The annual PSTAC filing shall contain, but not be limited to, the following:

1. A reconciliation of actual versus estimated costs and revenues from the last Board approved PSTAC charge for purchased wastewater treatment and disposal;
2. Projected rates supported by projected volumes, revenues, and projected purchased wastewater treatment and disposal costs;
3. Deferred balances and the timeframe over which they are proposed to be collected or returned;
4. A written explanation of the circumstances that caused the deferred balances in (3) above;
5. A written explanation of any significant activities or trends which may affect costs for the prospective period; and
6. Updated tariff sheets to reflect any change to the PSTAC rate.

The benchmark bill shall be the average residential sewer customer bill for a twelve-month period.

(Continued)

Issued: August 4, 2010

Effective: August 4, 2010

By: John Bigelow, President
131 Woodcrest Road, Cherry Hill, New Jersey 08003
Filed pursuant to Order of the Board of Public Utilities entered in
Docket No. WR10020149 dated , 2010.