



**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 9<sup>th</sup> Floor  
Post Office Box 350  
Trenton, New Jersey 08625-0350  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

WATER

IN THE MATTER OF THE PETITION OF LAKE )  
LENAPE WATER COMPANY FOR APPROVAL )  
OF AN INCREASE IN RATES FOR SERVICE )  
ORDER IMPLEMENTING )  
INTERIM RATES/MODIFYING A )  
STIPULATION )  
DOCKET NO. WR14030269 )

**Parties of Record:**

**Jeffrey Fuller, Pro Se**, on behalf of Lake Lenape Water Company  
**Stefanie A. Brand, Esq., Director**, on behalf of the Division of Rate Counsel

BY THE BOARD:

On March 21, 2014, pursuant to N.J.S.A. 48:2-21 and N.J.A.C. 14:1-5.12, Lake Lenape Water Company ("Lake Lenape", "Company" or "Petitioner"), a public utility of the State of New Jersey, that provides water service to approximately 357 metered residential customers in a portion of the Township of Andover, Sussex County, New Jersey, subject to the jurisdiction of the Board of Public Utilities ("Board"), filed a petition seeking to increase and revise its rates and charges for water service amounting to \$18,902 or 14.37%.

By Order dated August 20, 2014, the Board adopted the Initial Decision, dated August 12, 2014, of Administrative Law Judge ("ALJ") Leland McGee that recommended that the Board adopt a Stipulation that, among other things, agreed that the Petitioner's rates be increased by \$10,000, representing an overall percentage increase of 7.54% over pro forma present operating revenues.<sup>1</sup> The Stipulation further agreed that the Petitioner would begin the necessary upgrades to paint the interior of its water tank on or before October 15, 2014. A temporary water tank was to be installed and placed on-line in order to facilitate the necessary tank painting. The Stipulation did not include a specific dollar amount for the tank painting.

In a series of e-mails and telephone calls, the Petitioner advised Board Staff that its licensed operator ("operator") had expressed concerns about the timing of the scheduling of the tank painting. By letter dated December 5, 2014, the Petitioner advised the Board that its operator had identified a number of potential issues that could pose a serious threat to the water service of its customers, as the Company began preparation to paint the tank. These issues were set

<sup>1</sup> The parties to this proceeding are Petitioner, the Division of Rate Counsel and Board Staff.

forth in a memo dated October 11, 2014, from the operator to the Petitioner. These issues included concerns and the logistics of operating the system while the tank was being painted. The operator also stated that cold weather was coming fast and noted that paint does not dry or cure the same at colder temperatures. The operator requested that the tank painting project be postponed until Spring, 2015. Based on the operator's concerns, the Petitioner stated that it had decided to postpone the tank painting until May 2015. Via email dated January 12, 2015, the Petitioner advised that he did not object to a modification of the Board's prior Order making the rate increase interim.

On January 9, 2015, the Division of Rate Counsel, a party to this proceeding and a signatory to the Stipulation, advised the Board that it did not object to Board Staff's recommendation seeking to deem the rates interim, subject to refund, pending the tank painting project being completed in the Spring, 2015 and the Board receiving certification of the same.

### **DISCUSSION AND FINDINGS**

As noted above, the Stipulation adopted by both the ALJ and the Board included an agreement that the tank would be painted on or before October 15, 2014. While the Stipulation did not include a specific dollar amount related to the tank painting, a portion of the agreed upon rate increase was to be used for the tank painting. The agreed upon rate increase became effective on August 30, 2014. Lake Lenape is a small utility. Lake Lenape serves approximately 357 metered residential customers. The Company's 2013 revenues amounted to \$132,632.<sup>2</sup> The Board is also mindful of the concerns expressed by the Company's operator, particularly with regard to the operator's concerns as to how the onset of colder weather could delay the tank painting project which in turn could jeopardize the Petitioner's ability to provide safe, adequate and proper service to its customers. Therefore, the Board **HEREBY ORDERS** that provision of the Stipulation that required that the tank painting begin on or before October 15, 2015 be modified as follows. The Board **HEREBY ORDERS** that the tank painting project be completed no later than June 15, 2015. This will enable Lake Lenape to complete the project in the spring and before the onset of the peak summer usage season.

As noted above, a portion of the agreed upon rate increase was to be used specifically for the tank painting project. Since ratepayers are currently paying for the tank painting, which has now been delayed, and in consideration of the position of the parties, the Board **HEREBY ORDERS** that as of the effective date of this Order, Petitioner's rates be declared interim subject to refund pending completion of the tank painting project. The Petitioner may be required to refund a portion of the rate increase, with interest, to its ratepayers as well as other appropriate action if the tank painting project is not completed by June 15, 2015. Notwithstanding the delay in the project deadline, Petitioner is **HEREBY ORDERED** to take appropriate preparatory steps to ensure compliance with this Order. The Petitioner is **FURTHER ORDERED** to notify Rate Counsel and the Board of the progress of the tank painting project, including upon commencing the painting and any additional concerns raised regarding completion of the project. The Board **FURTHER ORDERS** that the Petitioner is to certify to the Board when the tank painting project is completed. The Board will revisit this interim rate Order upon conclusion of the tank painting project.

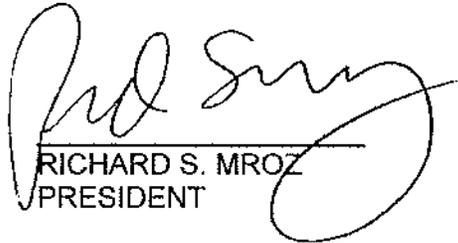
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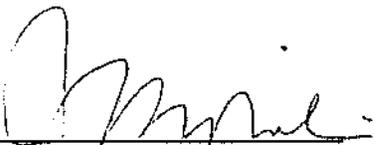
<sup>2</sup> Petitioner's 2013 Annual Report; Page 35.

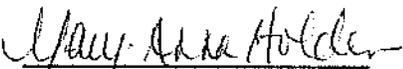
This Order is effective on February 2, 2015.

DATED: 1/21/15

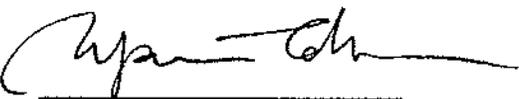
BOARD OF PUBLIC UTILITIES

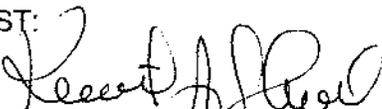
  
RICHARD S. MROZ  
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COMMISSIONER

ATTEST:  
  
KENNETH J. SHEEHAN  
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 LAKE LANAPE WATER COMPANY FOR  
APPROVAL OF AN INCREASE IN RATES FOR SERVICE

DOCKET NO. WR14030269  
OAL DOCKET NO. PUC 04042-2014N

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