



STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

WATER

IN THE MATTER OF THE PETITION OF NEW JERSEY	)	ORDER ADOPTING INITIAL
AMERICAN WATER COMPANY, INC. FOR	)	DECISION/STIPULATION
AUTHORIZATION TO CHANGE THE LEVELS OF ITS)	
PURCHASED WATER ADJUSTMENT CLAUSE AND)	
PURCHASED WASTEWATER (SEWERAGE)	)	BPU DOCKET NO. WR14111278
TREATMENT ADJUSTMENT CLAUSE	)	OAL DOCKET NO. PUC 14774-2014S

Parties of Record:

Robert J. Brabston, Esq., on behalf of New Jersey American Water Company, Inc., Petitioner
Stefanie A. Brand, Esq., Director, on behalf of the New Jersey Division of Rate Counsel
Jay L. Kooper, Esq., on behalf of Middlesex Water Company, Intervener

BY THE BOARD¹:

On November 7, 2014, New Jersey American Water Company, Inc. ("Petitioner" or "Company"), 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, with respect to increased purchased water expense and increased purchased wastewater treatment expense. The total amount originally requested was an overall increase of \$412,475 or 0.06% above estimated total Company revenues of \$654,442,888. As a result of settlement discussions, the Petitioner, the Division of Rate Counsel ("Rate Counsel") and Board Staff ("Staff") (collectively the "Signatory Parties") have agreed to a total overall stipulated decrease of \$1,211,807 or 0.18% below total Company revenues of \$685,497,880. Middlesex Water Company submitted a letter not objecting to the settlement.

The Petitioner services approximately 605,000 general metered water customers and approximately 35,500 sewer customers in all or part of 188 municipalities in 18 of the State's 21 counties.

¹ Commissioners Richard S. Mroz and Upendra J. Chivukula recused themselves due to a potential conflict of interest and as such took no part in the discussion or deliberation of this matter.

The Company 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; Morris County Municipal Utilities Authority; Montclair Water Bureau; Shorelands Water Company; New Jersey Water Supply Authority; Atlantic City Municipal Utilities Authority; 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. The three sewerage treatment purveyors are: Cape May County Municipal Utilities Authority for the Petitioner's Ocean City Sewer tariff group; Ocean County Utilities Authority for the Petitioner's Lakewood Sewer tariff group; and Howell Township for the Petitioner's Adelpia Sewer tariff group.

In I/M/O New Jersey American Water Company, Elizabethtown Water Company, and Mount Holly Water Company (Docket No. WR06030257, April 2, 2007), 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 the petition filed within the instant proceeding, Petitioner proposed to increase its PWAC rate in PWAC Rate Schedule O-1 from \$0.4525 per thousand gallons of water to \$0.4577 per thousand gallons of water for Non-Exempt customers. Petitioner proposed to increase its PWAC rate from \$0.3902 per thousand gallons of water to \$0.3947 per thousand gallons for Exempt customers. It also proposed to address its PSTAC charges as follows:

For customers in Lakewood Township, Ocean County, the rate per thousand gallons of prior year's winter water quarter usage (January, February and March meter readings) as reflected in PSTAC Rate Schedule 2-B, would decrease from \$3.7965 per thousand gallons to \$3.6296 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 in PSTAC Rate Schedule 1-B, would increase from \$24.0083 per thousand gallons to \$24.5226 per thousand gallons.

For customers in the Adelpia section of Howell Township, Monmouth County, the rate per thousand gallons of water as reflected in PSTAC Rate Schedule 3-B, would increase from \$6.4594 per thousand gallons to \$6.6559 per thousand gallons.

BACKGROUND/PROCEDURAL HISTORY

This matter was transmitted to the Office of Administrative Law ("OAL") on November 12, 2014, as a contested case, and was assigned to Administrative Law Judge ("ALJ") Elia A. Pelios. A telephonic prehearing conference was held on January 7, 2015 with ALJ Pelios during which, among other things, the ALJ directed that public hearings be held on this matter.

On January 13, 2015, Middlesex Water Company ("Middlesex") filed a motion to intervene in the instant proceeding. The motion was subsequently granted by ALJ Pelios. After proper notice, four public hearings were held in following locations in Petitioner's service area: Ocean City on

February 10, 2015 at 2:00 p.m.; Westhampton on February 10, 2015 at 6:00 p.m.; Maplewood on February 12, 2015 at 2:00 p.m.; and Howell Township on February 12, 2015 at 6:00 p.m. No member of the public appeared at the Ocean City, Westhampton, or Maplewood public hearings. Five (5) members of the public attended the Howell Township public hearing and only one member of the public spoke and placed her formal comments on the record regarding solely the financial hardships placed upon the senior citizens of this State.

Subsequent to the public hearings, the Petitioner, Rate Counsel, Staff and Middlesex engaged in settlement negotiations. On February 27, March 2 and March 3, 2015, the Signatory Parties entered into a Stipulation of Settlement ("Stipulation"). The intervener, Middlesex, submitted to ALJ Pelios correspondence on March 3, 2015 providing it had no objection to the Stipulation.

On March 11, 2015, ALJ Pelios issued his Initial Decision recommending adoption of the Stipulation executed by the Signatory Parties, finding that they voluntarily agreed to the Stipulation, and that the Stipulation fully disposed of all issues and was consistent with the law.

DISCUSSIONS AND FINDINGS²

The Signatory Parties recommend that the Board approve a change to Petitioner's PWAC rate on PWAC Rate Schedule O-1 from \$0.4525 per thousand gallons of water for Non-Exempt customers, to \$0.4348 per thousand gallons of water for Non-Exempt customers; and from \$0.3902 per thousand gallons of water for Exempt customers, to \$0.3750 per thousand gallons of water for Exempt customers.

The Signatory Parties further recommend that the Board permit Petitioner to change its effective PSTAC charges as follows (including the effects of rate compression):

For Lakewood Township, Ocean County, the rate per thousand gallons of prior year's winter quarter as reflected within PSTAC Rate Schedule 2-B will decrease from \$3.7965 per thousand gallons to \$3.8151 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 decrease from \$24.0083 per thousand gallons to \$24.8816 per thousand gallons.

For customers in the Adelpia section of Howell Township, Monmouth County, the rate per thousand gallons of water as reflected upon PSTAC Rate Schedule 3-B, will increase from \$6.4594 per thousand gallons to \$5.8388 per thousand gallons.

The effective PWAC rate change would result in an decrease in the annual bill of an average residential customer utilizing 6,500 gallons per month as follows:

² Although described in this Order at some length, should there be any conflict between this summary and the Stipulation, the terms of the Stipulation control, subject to the findings and conclusions in this Order.

	<u>Present Monthly Bill</u>	<u>Proposed Per month</u>	<u>Amount Decrease</u>	<u>Percentage Decrease</u>
SA-1	\$55.12	\$55.01	(\$0.11)	(0.20%)
SA-1B Pennsgrove	\$41.35	\$41.24	(\$0.11)	(0.27%)
SA-1D	\$48.65	\$48.54	(\$0.11)	(0.23%)
SA-2, SA-3 & SA-1A	\$52.48	\$52.36	(\$0.12)	(0.23%)
SA-2 Manville	\$49.05	\$48.93	(\$0.12)	(0.24%)
SA-3 Southampton	\$45.64	\$45.53	(\$0.11)	(0.24%)

The PSTAC rate changes will result in: (a) an increase for a typical residential sewer service customer in Lakewood Township, Ocean County utilizing 18,000 gallons of water in the winter quarter of \$0.11 per month or 0.19%; (b) an 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 of \$1.45 per month or 2.22%; and (c) an decrease to an average sewer service customer in the Adelphia section of Howell Township, Monmouth County utilizing 48,000 gallons of water per year, of (\$2.48) per month or (4.63%).

These PWAC and PSTAC rates are calculated as being effective April 1, 2015.

The Parties 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. The Parties agree to review this methodology and adjust it as necessary and appropriate in future PWAC proceedings.

Having reviewed the Initial Decision and the Stipulation of Settlement, the Board **HEREBY FINDS** that the Signatory Parties 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 **FURTHER 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 clause has been in effect for one year, a PWAC true-up schedule in connection with this proceeding. Copies of the true-up schedule 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 on April 1, 2015.

The effective date of this Order is April 1, 2015.

DATED: 3/18/15

BOARD OF PUBLIC UTILITIES
BY:



JOSEPH L. FIORDALISO
COMMISSIONER

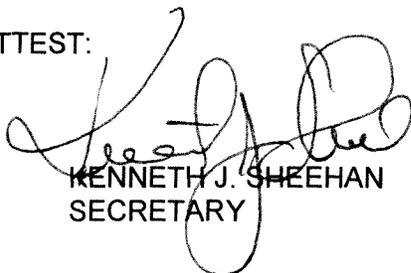


MARY-ANNA HOLDEN
COMMISSIONER



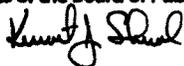
DIANNE SOLOMON
COMMISSIONER

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 New Jersey American Water Company, Inc. for Authorization to
Change the Levels of its Purchased Water Adjustment Clause and Purchased Wastewater
(Sewerage) Treatment Adjustment Clause
BPU Docket No. WR14111278
OAL Docket No. PUC 14774-2014S

SERVICE LIST

Robert J. Brabston, Esq.
New Jersey American Water Company, Inc.
167 J.F. Kennedy Parkway
Short Hills, NJ 07078

Jay L. Cooper, Esq.
Middlesex Water Company
1500 Ronson Road
Iselin, NJ 08850

Stefanie A. Brand Esq., Director
Division of Rate Counsel
The Division of Rate Counsel
140 East Front Street 4th Floor
Post Office Box 003
Trenton, NJ 08625-0003

Debra Robinson, Esq.
Division of Rate Counsel
The Division of Rate Counsel
140 East Front Street 4th Floor
Post Office Box 003
Trenton, NJ 08625-0003

Christine Juarez, Esq.
Division of Rate Counsel
The Division of Rate Counsel
140 East Front Street 4th Floor
Post Office Box 003
Trenton, NJ 08625-0003

Geoffrey Gersten, DAG
Department of Law and Public Safety
Division of Law
124 Halsey Street
Post Office Box 45029
Newark, NJ 07101-45029

Alex Moreau, DAG
Department of Law and Public Safety
Division of Law
124 Halsey Street
Post Office Box 45029
Newark, NJ 07101-45029

Carolyn McIntosh, DAG
Department of Law and Public Safety
Division of Law
124 Halsey Street
Post Office Box 45029
Newark, NJ 07101-45029

Maria Moran, Director
Board of Public Utilities
Division of Water
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350

Michael Kammer, Bureau Chief
Board of Public Utilities
Division of Water
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350

Matthew Koczur, Administrative Analyst II
Board of Public Utilities
Division of Water
44 South Clinton Avenue, 9th Floor
Post Office Box 350
Trenton, NJ 08625-0350



State of New Jersey
DIVISION OF RATE COUNSEL
140 EAST FRONT STREET, 4TH FL
P. O. BOX 003
TRENTON, NEW JERSEY 08625

CHRIS CHRISTIE
Governor

KIM GUADAGNO
Lt. Governor

STEFANIE A. BRAND
Director

March 3, 2015

Via US Regular Mail

Robert J. Brabston, Esq.
New Jersey American Water Company
1025 Laurel Oak Road
Voorhees, NJ 08043

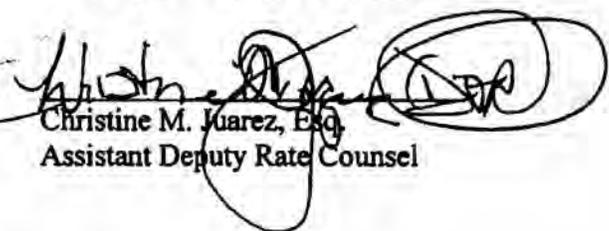
**Re: I/M/O the Petition of New Jersey American Water Company, Inc. for
Approval to Change the Levels of its Purchased Water Adjustment Clause
and Purchased Wastewater (Sewerage) Treatment Adjustment Clause
BPU Docket No.: WR14111278**

Dear Mr. Brabston:

Enclosed please find original signature page for the Stipulation executed on behalf of the
Division of Rate Counsel in the above matter. Thank you.

Very truly yours,

Stefanie A. Brand
Director, Division of Rate Counsel

By: 
Christine M. Juarez, Esq.
Assistant Deputy Rate Counsel

CMJ/ddn

cc: Alex Moreau, DAG (w/o enclosure)

New Jersey American Water Company
Statement of Actual Purchased Water Operating Expense - PWAC Water Service
PWAC Year 4/1/14 - 3/31/15

New Jersey American Water Company
 BPU Docket No. WR14111278
 Witness Responsible: Dante M. DeStefano

Schedule DMD 1, Final 2/26/15
 PWAC Filing Year: 4/1/2014 - 3/31/2015
 Page 1

Line No.	Purchased Water	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Total
1														
2	Vendor Voucher													
3	Atlantic City Municipal Utility Authority	\$ 118,100	\$ 101,933	\$ 119,455	\$ 122,301	\$ 109,756	\$ 116,031	\$ 166,707	\$ 228,920	\$ 230,816	\$ 202,030	\$ 110,010	\$ 118,266	\$1,744,324
4	Borough Florham Park	0	40	0	0	30	46	0	0	0	0	60	0	\$175
5	Township of Maple Shade	10,935	0	0	15,047	0	0	0	14,447	0	0	10,822	0	\$51,251
6	Morris County Municipal Utilities Authority	47,311	46,550	53,807	54,266	61,369	71,704	57,984	37,367	33,085	32,966	43,680	39,965	\$580,054
7	Montclair Water Bureau	7,606	17,011	793	16,368	20,504	13,047	15,841	14,357	11,960	1,814	16,432	18,677	\$154,408
8	City of Newark - Shaw/Salvage	0	8	8	0	0	0	306	22	52	0	109	0	\$506
9	NJWSA - Water - Manasquan	0	0	1,220,513	0	0	1,220,513	0	0	1,220,513	0	0	1,220,513	\$4,882,053
10	NJWSA - Overdrafts - Manasquan	0	0	0	0	0	0	0	0	0	0	0	0	\$0
11	NJWSA - Power Component - Manasquan	13,517	26,519	16,548	28,499	17,072	0	32,002	23,003	0	29,131	29,840	13,223	\$229,353
12	Passaic Valley Water Commission - Water	740,696	0	818,549	661,258	1,907,137	999,709	986,293	720,654	0	880,995	912,618	669,081	\$9,296,999
13	Passaic Valley Water Comm. - Power Component	0	0	51,064	56,248	109,975	34,241	111,787	149,991	0	0	169,576	0	\$682,881
14	Sea Isle City	0	0	0	0	0	0	0	0	0	0	0	0	\$0
15	Seaside Heights Borough	0	0	0	51,148	0	0	0	82,814	0	6	0	42,043	\$176,011
16	Shorelands Water Company	30,249	36,969	36,381	140,818	29,044	39,744	33,034	28,881	25,670	28,454	31,096	27,612	\$487,952
17	City of Wildwood	0	0	0	0	0	0	0	0	88,435	0	0	0	\$88,435
18	Pemberton Borough	0	0	0	0	0	0	0	0	0	0	0	0	\$0
19	Other - Vouchers	0	0	0	0	0	0	0	0	0	0	0	0	\$0
20	Marlboro Municipal Utilities Authority	31,301	30,292	31,593	0	32,627	63,908	31,203	32,243	31,203	0	64,389	29,773	\$378,531
21	NJWSA - Water - Raritan	923,274	894,030	923,274	894,030	0	1,899,721	951,000	982,143	951,000	982,143	982,143	888,713	\$11,271,471
22	NJWSA - Water - Raritan - Credit (1)	0	0	0	(197,220)	0	0	0	0	0	0	0	0	(\$197,220)
23	NJWSA - Overdraft - Raritan	0	0	0	0	0	0	0	0	0	0	0	0	\$0
24	City of Newark - Summit	0	0	0	0	12,034	4,628	1,600	0	1,554	0	21,700	3,627	\$45,143
25	East Windsor Municipal Utility	0	0	0	0	0	0	0	0	0	0	2,032	702	\$2,734
26	Total of Vouchers (2)	\$1,922,990	\$1,153,350	\$3,271,985	\$1,842,763	\$2,299,547	\$4,463,290	\$2,387,756	\$2,314,853	\$2,594,289	\$2,157,538	\$2,394,506	\$3,072,195	\$29,875,061
27														
28	Journal Entries													
29	Accruals for Account 510100	2,473,420	1,318,767	(737,937)	1,066,895	439,351	(495,876)	33,726	(1,041,959)	(487,086)	978,637	(3,547,937)	0	1
30	Total Balance of Account 510100 (Purch. Wtr)	\$4,396,410	\$2,472,117	\$2,534,048	\$2,909,658	\$2,738,898	\$3,967,414	\$2,421,482	\$1,272,894	\$2,107,203	\$3,136,175	(\$1,153,431)	\$3,072,195	\$29,875,062
31														
32	Adjustments													
33	Eliminations													
34	Eliminate Accruals for Account 510100	(\$2,473,420)	(\$1,318,767)	\$737,937	(\$1,066,895)	(\$439,351)	\$495,876	(\$33,726)	\$1,041,959	\$487,086	(\$978,637)	\$3,547,937	\$0	(\$1)
35	Seaside Basin Interest (3)													
36														
37														
38														
39	Total of Eliminations	(\$2,473,420)	(\$1,318,767)	\$737,937	(\$1,066,895)	(\$439,351)	\$495,876	(\$33,726)	\$1,041,959	\$487,086	(\$978,637)	\$3,547,937	\$0	(\$1)
40														
41														
42	Additions													
43	No Additions	0	0	0	0	0	0	0	0	0	0	0	0	0
44	Total of Additions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
45														
46	Total Purchased Water Expense As Adjusted	\$1,922,990	\$1,153,350	\$3,271,985	\$1,842,763	\$2,299,547	\$4,463,290	\$2,387,756	\$2,314,853	\$2,594,289	\$2,157,538	\$2,394,506	\$3,072,195	\$29,875,061

47 Notes:

- 48 (1) Reflects credit against prior period debt service payments.
 49 (2) Purchased Water expense reflects actuals except for estimates utilized for February 2015 through March 2015 activity. The estimated activity is based on a 3-year average usage of year ended 3/31/12, 3/31/13, and 3/31/14 for that invoiced month, multiplied by the applicable effective rate. The exceptions to this estimate process are NJWSA-Manasquan and NJWSA-Raritan (utilize the contract usage and rate as of 8/4/14).
 50
 51 (3) Interest paid for late payment is removed from total expenses.
 52
 53
 54
 55

New Jersey American Water Company
Statement of Actual Purchased Water Volumes (1000 Gallons) Associated with Actual Purchased Water Expense - PWAC Water Service
PWAC Year 4/1/14 - 3/31/15 (1)

New Jersey American Water Company
 BPU Docket No. WR14111278
 Witness Responsible: Dante M. DeStefano

Schedule DMD 1a, Final 2/26/15
 PWAC Filing Year: 4/1/2014 - 3/31/2015
 Page 1

Line No.	Purchased Water	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Total
1														
2														
3	Vendor/Vendor (1,000 gallons)													
4	Atlantic City Municipal Utility Authority	37,184	31,732	37,641	38,601	34,370	36,486	53,576	74,557	75,196	60,448	34,358	36,936	551,085
5	Borough of Florham Park	0	2	0	0	13	28	0	0	0	0	0	0	43
6	Township of Maple Shade	1,422	0	0	2,055	0	0	0	1,736	0	0	1,487	0	6,700
7	Morris County Municipal Utilities Authority	19,382	19,070	22,043	22,231	25,141	29,375	23,754	15,308	13,554	13,505	17,373	15,896	236,632
8	Montclair Water Bureau	4,377	9,787	456	9,418	11,798	7,507	9,114	8,261	6,882	1,043	9,456	10,746	88,845
9	City of Newark - Shaw/Selvage	0	2	2	0	0	0	93	7	16	0	34	0	154
10	NJWSA - Water - Manasquan	0	0	1,140,625	0	0	1,140,625	0	0	1,140,625	0	0	1,140,625	4,562,500
11	NJWSA - Overdrafts - Manasquan	0	0	0	0	0	0	0	0	0	0	0	0	0
12	Passaic Valley Water Commission - Water	322,430	0	356,320	287,850	830,190	435,180	429,340	313,710	0	383,503	255,883	280,053	3,894,459
13	Sea Isle City	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Seaside Heights	0	0	0	18,599	0	0	0	29,821	0	2	0	15,286	63,709
15	Shorelands Water Company	12,525	14,615	14,705	60,608	9,374	15,424	13,593	11,257	11,013	11,663	13,071	11,505	199,352
16	City of Wildwood	0	0	0	0	0	0	0	0	35,233	0	0	0	35,233
17	Pemberton Borough	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Other Vendors	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Marlboro Municipal Utilities Authority	7,750	7,500	7,822	0	8,074	15,500	7,500	7,750	7,500	0	15,929	7,112	92,437
20	NJWSA - Water - Raritan	3,924,600	3,798,000	3,924,600	3,798,000	0	8,079,382	3,798,000	3,925,000	3,798,000	3,924,600	3,924,600	3,544,800	46,439,582
21	NJWSA- Water - Raritan Legislative Grant	90,210	87,300	90,210	87,300	90,210	90,210	87,300	90,210	87,300	90,210	90,210	81,480	1,062,150
22	NJWSA - Overdraft - Raritan	0	0	0	0	0	0	0	0	0	0	0	0	0
23	City of Newark - Summit	0	0	0	0	4,709	1,811	627	0	608	0	8,633	1,455	17,843
24	East Windsor Municipal Utility	0	0	0	0	0	0	0	0	0	0	953	299	1,252
25	Total Volume Assoc. with PW Expense as Adjusted (1)	4,419,880	3,968,008	5,594,424	4,324,662	1,013,879	9,851,528	4,422,897	4,477,617	5,175,927	4,484,974	4,371,986	5,146,193	57,251,975

27 (1) Purchased Water usage reflects actuals except for estimates utilized for February 2015 through March 2015 activity. The estimated activity is based on a 3-year average usage of year ended 3/31/12, 3/31/13, and 3/31/14 for that invoiced
 28 month. The exceptions to this estimate process are NJWSA-Manasquan and NJWSA-Raritan (utilize the contract usage as of 8/4/14).
 29
 30
 31

New Jersey American Water Company
Statement of PWAC True Up Schedule - Revenue and Operating Expense - PWAC Water Service
PWAC Year 4/1/14 - 3/31/15

Schedule DMD 2, Final 2/26/15
PWAC Filing Year: 4/1/2014 - 3/31/2015
Page 1

New Jersey American Water Company
BPU Docket No. WR14111278
Witness Responsible: Dante M. DeStefano

Line No.	Note (1)	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Total
1															
2	Total Billed PWAC Revenue (non-expt. & exempt) (2)		\$2,595,457	\$2,528,947	\$3,295,056	\$3,520,756	\$3,941,039	\$3,676,840	\$3,277,697	\$2,671,656	\$2,625,685	\$2,923,732	\$2,925,743	\$2,601,918	\$36,584,527
3	Less: Exempt PWAC Revenue (from ln. 49)		53,251	50,672	176,513	77,142	83,067	81,804	77,071	76,956	77,955	83,379	94,131	81,675	1,013,616
4	Non-Exempt PWAC Revenue		\$2,542,206	\$2,478,275	\$3,118,543	\$3,443,614	\$3,857,972	\$3,595,036	\$3,200,626	\$2,594,700	\$2,547,730	\$2,840,353	\$2,831,612	\$2,520,243	\$35,570,911
5															
6	GRFT tax rate (3)		13.76%	13.76%	13.76%	13.76%	13.76%	13.76%	13.76%	13.76%	13.76%	13.76%	13.76%	13.76%	13.76%
7	PWAC Non-exempt. Rev. net of GRFT (ln. 4 * (100% - ln. 6))		\$2,192,398	\$2,137,265	\$2,689,431	\$2,969,773	\$3,327,115	\$3,100,359	\$2,760,220	\$2,237,669	\$2,197,163	\$2,449,521	\$2,441,982	\$2,173,458	\$30,676,354
8	Add Back: Exempt PWAC Revenue (ln. 3)		53,251	50,672	176,513	77,142	83,067	81,804	77,071	76,956	77,955	83,379	94,131	81,675	1,013,616
9	PWAC Revenue net of GRFT		\$2,245,649	\$2,187,937	\$2,865,944	\$3,046,915	\$3,410,182	\$3,182,163	\$2,837,291	\$2,314,625	\$2,275,118	\$2,532,900	\$2,536,113	\$2,255,133	\$31,689,970
10															
11	Less: Uncollectibles & BPU/ Div. Rate Counsel Exp. Factor (3)		0.9925	0.9925	0.9925	0.9925	0.9925	0.9925	0.9925	0.9925	0.9925	0.9925	0.9925	0.9925	0.9925
12	PWAC Rev. net of GRFT, Uncoll., BPU/DRC exp. (ln.9*11)		\$2,228,807	\$2,171,527	\$2,844,449	\$3,024,063	\$3,384,606	\$3,158,297	\$2,816,011	\$2,297,265	\$2,258,055	\$2,513,903	\$2,517,092	\$2,238,220	\$31,452,295
13															
14	Less: PWAC True-up Under-recovery of \$305,691 from PWAC Year 4/13-3/14 divided by 12 mos. (1)		25,477	25,474	25,474	25,474	25,474	25,474	25,474	25,474	25,474	25,474	25,474	25,474	305,691
15															
16	Less: PWAC Filing Cost Authorized (4)		337	333	333	333	333	333	333	333	333	333	333	333	4,000
17															
18	Total PWAC Revenues net of Cost recoveries detailed above		\$2,202,993	\$2,145,720	\$2,818,642	\$2,998,256	\$3,358,799	\$3,132,490	\$2,790,204	\$2,271,458	\$2,232,248	\$2,488,096	\$2,491,285	\$2,212,413	\$31,142,604
19															
20	Total Purchased Water Exp. as Adjusted -(per Sch. DMD-1, ln.46)		1,922,990	1,153,350	3,271,985	1,842,763	2,299,547	4,463,290	2,387,756	2,314,853	2,594,289	2,157,538	2,394,506	3,072,195	29,875,062
21															
22	Total PWAC True-Up Balance														
23	(Over-Recovered) / Under-Recovered (ln. 21- 19)		(\$280,004)	(\$992,370)	\$453,343	(\$1,155,493)	(\$1,059,252)	\$1,330,800	(\$402,448)	\$43,395	\$362,041	(\$330,558)	(\$96,779)	\$859,782	(\$1,267,543)
24															
25															
26	Interest Calculation														
27	Total PWAC Cumulative True-up Balance (Over-Recov.) / Under-Recov. (5)		\$305,691	\$210	(\$1,017,633)	(\$589,765)	(\$1,770,732)	(\$2,855,458)	(\$1,550,132)	(\$1,978,054)	(\$1,960,133)	(\$1,623,566)	(\$1,979,597)	(\$2,101,851)	(\$1,267,543)
28															
29	Average of the Current & Prior months Cumulative True-up Balances (Over rec.) / Under rec.		(93,344)	(508,712)	(803,699)	(1,180,248)	(2,313,095)	(2,202,795)	(1,764,093)	(1,969,093)	(1,791,849)	(1,801,582)	(2,040,724)	(1,684,697)	
30															
31	Overall ROR Per Docket BPU#WR11070460 (6)		8.0398%	8.0398%	8.0398%	8.0398%	8.0398%	8.0398%	8.0398%	8.0398%	8.0398%	8.0398%	8.0398%	8.0398%	8.0398%
32															
33	Monthly Overall Rate of Return		0.67%	0.67%	0.67%	0.67%	0.67%	0.67%	0.67%	0.67%	0.67%	0.67%	0.67%	0.67%	0.67%
34	Interest on True-up Balances - (Over) / Under		(\$625)	(\$3,408)	(\$5,385)	(\$7,908)	(\$15,498)	(\$14,759)	(\$11,819)	(\$13,193)	(\$12,005)	(\$12,071)	(\$13,673)	(\$11,287)	(\$121,631)
35															
36	Total PWAC (Over-Recov.) / Under-Recov. including Interest														(\$1,389,174)
37															
38															
39	Exempt (from GRFT) Customers Actual Water Sales (1000 gals): (7)														
40															
41	Cogen (Baywey) - OIW		0	0	304,687	70,132	78,798	77,545	70,170	66,127	72,605	82,236	102,622	90,835	1,015,757
42	Aqua NJ Water Co. - SFR-CD		21,390	23,400	18,690	20,700	21,390	21,390	20,700	21,390	20,700	21,390	19,944	18,556	249,639
43	Lawrenceville Water Co. - SFR-SOS		15,726	15,373	16,269	15,439	15,984	15,936	15,223	15,940	15,815	16,064	15,085	13,837	186,691
44	Middlesex Water Co. - SFR SOS		98,365	90,004	111,321	90,278	94,835	93,004	90,228	93,084	90,107	93,358	102,719	85,372	1,132,675
45	Roxiticus Water Co. - SFR Reg. GMS		990	1,085	1,400	1,150	1,875	1,770	1,195	680	555	635	868	715	12,918
46	Total Exempt Customer Actual Water Sales		136,471	129,862	452,367	197,699	212,882	209,645	197,516	197,221	199,782	213,683	241,238	209,315	2,597,681
47															
48	Exempt PWAC Rate per 1000 gals. (8)		\$0.3902	\$0.3902	\$0.3902	\$0.3902	\$0.3902	\$0.3902	\$0.3902	\$0.3902	\$0.3902	\$0.3902	\$0.3902	\$0.3902	\$0.3902
49	Exempt PWAC Revenue		\$53,251	\$50,672	\$176,513	\$77,142	\$83,067	\$81,804	\$77,071	\$76,956	\$77,955	\$83,379	\$94,131	\$81,675	\$1,013,616
50															

51 Notes: (1) March 2014 represents Total PWAC True-up balance per Schedule DMD-2a.
52 (2) Billed PWAC water revenues are based on actuals, except estimates utilized for February 2015 through March 2015. Estimates are based on prior year, same month revenues, adjusted by the rate change effective 04/01/14 per Docket #WR13111038.
53 (3) GRFT rate and Uncollectible/BPU/Rate Counsel expense factor utilized herein is per Settlement, BPU Docket #WR13111038.
54 (4) Amount per the 2014 PWAC Rate Filing BPU Docket #WR13111038, Schedule DMD-12 - Per Settlement.
55 (5) Line 24 of the current month plus line 28 of the prior month less line 15 of the current month.
56 (6) The ROR utilized for the period 4/1/14 - 3/31/15 is based upon the ROR per Board Order in the Base Rate Case BPU Docket #WR11070460.
57 (7) Water sales for all entities were based upon actual monthly water sales, except estimates utilized for February 2015 through March 2015. Estimates are based on a 3-year average of 2012, 2013, and 2014 usage for the same month.
58 (8) For Settlement - exempt rate reflects \$0.3902 effective 4/1/14 per BPU Docket #WR13111038.
59
60

New Jersey American Water Company
Statement of PWAC True Up Schedule - Revenue and Operating Expense - PWAC Water Service
Prior PWAC Year 4/1/13 - 3/31/14

Schedule DMD 2a, Final 2/26/15
PWAC Filing Year: 4/1/2013 - 3/31/2014
Page 1

New Jersey American Water Company
BPU Docket No. WR14111278
Witness Responsible: Dante M. DeStefano

Line No.	Note (1)	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Total
1															
2	Total Billed PWAC Revenue (non-expt. & exempt) (2)		\$2,608,662	\$2,826,870	\$3,088,056	\$3,283,148	\$3,627,684	\$3,287,542	\$2,967,517	\$2,274,800	\$2,758,328	\$2,829,971	\$2,824,349	\$2,511,746	\$34,884,674
3	Less: Exempt PWAC Revenue (from ln. 49)		83,243	80,714	77,815	73,079	83,115	77,653	77,373	76,982	83,073	98,225	110,132	85,943	1,007,147
4	Non-Exempt PWAC Revenue		\$2,523,419	\$2,746,156	\$3,008,441	\$3,210,069	\$3,544,569	\$3,209,889	\$2,890,144	\$2,197,818	\$2,675,255	\$2,731,746	\$2,714,217	\$2,425,803	\$33,877,527
5															
6	GRFT tax rate (3)		13.76%	13.76%	13.76%	13.76%	13.76%	13.76%	13.76%	13.76%	13.76%	13.76%	13.76%	13.76%	13.76%
7	PWAC Non-exempt. Rev. net of GRFT (ln. 4 * (100% - ln.6))		\$2,176,197	\$2,368,285	\$2,594,480	\$2,768,364	\$3,056,836	\$2,768,208	\$2,492,480	\$1,895,398	\$2,307,140	\$2,355,858	\$2,340,741	\$2,092,013	\$29,215,980
8	Add Back: Exempt PWAC Revenue (ln. 3)		83,243	80,714	77,815	73,079	83,115	77,653	77,373	76,982	83,073	98,225	110,132	85,943	1,007,147
9	PWAC Revenue net of GRFT		\$2,259,440	\$2,448,999	\$2,672,095	\$2,841,443	\$3,139,951	\$2,845,861	\$2,569,833	\$1,972,380	\$2,390,213	\$2,454,083	\$2,450,873	\$2,177,956	\$30,223,127
10															
11	Less: Uncollectibles & BPU/ Div. Rate Counsel Exp. Factor (3)		0.9923	0.9923	0.9923	0.9923	0.9923	0.9923	0.9923	0.9923	0.9923	0.9923	0.9923	0.9923	0.9923
12	PWAC Rev. net of GRFT, Unco., BPU/DRC exp. (ln.9*11)		\$2,242,042	\$2,430,142	\$2,651,520	\$2,819,564	\$3,115,773	\$2,823,948	\$2,550,045	\$1,957,193	\$2,371,808	\$2,435,187	\$2,432,001	\$2,161,186	\$29,990,409
13															
14	Less: PWAC True-up Under-recovery of \$1,528,380														
15	from PWAC Year 4/12-3/13 divided by 12 mos. (1)		127,463	127,468	127,468	127,468	127,468	127,468	127,468	127,468	127,468	127,468	127,468	127,468	1,529,611
16															
17	Less: PWAC Filing Cost Authorized (4)		544	543	543	543	543	543	543	543	543	543	543	543	6,517
18															
19	Total PWAC Revenues net of Cost recoveries detailed above		\$2,114,035	\$2,302,131	\$2,523,509	\$2,691,553	\$2,967,762	\$2,695,937	\$2,422,034	\$1,829,182	\$2,243,797	\$2,307,176	\$2,303,990	\$2,033,175	\$28,454,281
20															
21	Total Purchased Water Exp. as Adjusted -(per Sch. DMD-1, ln.46)		1,119,524	2,703,959	3,209,594	1,148,708	3,230,858	3,195,309	2,298,008	1,640,203	2,922,120	2,370,992	1,774,876	3,145,821	28,759,971
22															
23	Total PWAC True-Up Balance														
24	(Over-Recovered) / Under-Recovered (ln. 21- 19)		(\$994,511)	\$401,828	\$686,085	(\$1,542,844)	\$243,096	\$499,372	(\$124,000)	(\$188,979)	\$678,323	\$63,816	(\$529,114)	\$1,112,646	\$305,691
25															
26	Interest Calculation														
27	Total PWAC Cumulative True-up Balance														
28	(Over-Recov.) / Under-Recov. (5)		\$1,529,611	\$407,637	\$681,997	\$1,240,614	(\$429,688)	(\$314,070)	\$57,833	(\$193,861)	(\$510,108)	\$40,747	(\$22,906)	(\$679,488)	\$305,691
29															
30	Average of the Current & Prior months Cumulative		812,736	544,817	961,306	405,458	(371,884)	(128,119)	(67,914)	(351,885)	(234,681)	8,920	(351,197)	(186,899)	
31	True-up Balances (Over rec.) / Under rec.														
32															
33															
34	Overall ROR Per Docket BPU#WR11070460 (6)		8.0398%	8.0398%	8.0398%	8.0398%	8.0398%	8.0398%	8.0398%	8.0398%	8.0398%	8.0398%	8.0398%	8.0398%	8.0398%
35	Monthly Overall Rate of Return		0.67%	0.67%	0.67%	0.67%	0.67%	0.67%	0.67%	0.67%	0.67%	0.67%	0.67%	0.67%	0.67%
36	Interest on True-up Balances - (Over) / Under		\$5,445	\$3,650	\$8,441	\$2,717	(\$2,492)	(\$858)	(\$455)	(\$2,358)	(\$1,572)	\$60	(\$2,353)	(\$1,252)	\$6,973
37															
38	Total PWAC (Over-Recov.) / Under-Recov. including interest														\$305,691
39															
40	Exempt (from GRFT) Customers Actual Water Sales (1000 gals): (7)														
41	Cogen (Bayway) - OIW		90,875	89,562	80,425	70,114	86,349	75,432	79,860	71,535	88,110	105,883	127,826	111,003	1,076,973
42	Aqua NJ Water Co. - SFR-CD		22,680	22,434	20,850	20,599	20,327	21,038	20,073	21,520	20,619	21,347	21,356	19,286	251,929
43	Lawrenceville Water Co. - SFR-SOS		16,328	15,350	15,895	15,024	15,275	15,423	15,056	15,739	15,352	15,269	13,617	12,562	180,890
44	Middlesex Water Co. - SFR SOS		90,031	85,834	87,585	86,736	96,704	92,671	89,028	94,616	95,317	117,248	128,565	84,431	1,148,544
45	Roxitucus Water Co. - SFR Reg. GMS		1,066	1,285	1,505	1,525	1,985	1,575	1,380	950	1,130	1,005	995	865	15,266
46	Total Exempt Customer Actual Water Sales		220,980	214,265	206,040	193,998	220,640	208,139	205,397	204,380	220,528	260,750	292,358	228,147	2,673,602
47															
48	Exempt PWAC Rate per 1000 gals. (8)		\$0.3767	\$0.3767	\$0.3767	\$0.3767	\$0.3767	\$0.3767	\$0.3767	\$0.3767	\$0.3767	\$0.3767	\$0.3767	\$0.3767	\$0.3767
49	Exempt PWAC Revenue		\$83,243	\$80,714	\$77,815	\$73,079	\$83,115	\$77,653	\$77,373	\$76,982	\$83,073	\$98,225	\$110,132	\$85,943	\$1,007,147
50															

51 Notes: (1) March 2013 represents Total PWAC True-up balance per Schedule DMD-2a per Docket No. WR13111038
52 (2) Billed PWAC water revenues are based on actuals.
53 (3) GRFT rate and Uncollectible/BPU/Rate Counsel expense factor utilized herein is per Settlement, BPU Docket #WR12111019.
54 (4) Amount per the 2013 PWAC Rate Filing BPU Docket #WR12111019, Schedule DMD-12 - Per Settlement.
55 (5) Line 24 of the current month plus line 28 of the prior month less line 15 of the current month.
56 (6) The ROR utilized for the period 4/1/13 - 3/31/14 is based upon the ROR per Board Order in the Base Rate Case BPU Docket #WR11070460.
57 (7) Water sales for all entities were based upon actual monthly water sales.
58 (8) For Settlement - exempt rate reflects \$0.3767 effective 4/1/13 per BPU Docket #WR12111019.
59
60

New Jersey American Water Company
 Statement of Pro Forma PWAC
 PWAC Year 4/1/2015-3/31/2016

New Jersey American Water Company
 BPU Docket No. WR14111278
 Witness Responsible: Dante M. DeStefano

Schedule DMD 3, Final 2/26/15
 PWAC Filing Year: 4/1/2014 - 3/31/2015
 Page 1

Line	(1)	(2)
1	CALCULATION of PWAC Rates for Year 4/1/2015-3/31/2016 Without Compression (regular calc.)	
		<u>Regular Calc.</u>
2	Pro forma Purchased Water Exp.- PWAC Year 4/01/15-3/31/16 (Schd. RRS-1)	\$31,545,737
3	PWAC True-up from PWAC Year 4/01/14-3/31/15 (Schedule DMD-2)	(1,389,174)
4	Pro forma filing costs @ 50% (Schedule. DMD-12)	3,388
5		
6	sub-total (lines 2+3+4)	\$30,159,951
7		
8	Gross-up factor for Uncollect. Exp. & Actual 2015 BPU / Div. Rate Counsel Assessments (1)	0.9926
9		
10	PWAC for Recovery 4/1/15-3/31/16 pre-GRFT (line 6 / 8)	\$30,384,798
11		
12	Total Projected Water Sales subject to PWAC (1000 gallons) (line 51) (3)	81,033,206
13		
14	PWAC Exempt Rate per 1000 gallons (line 10 / 12)	<u>\$0.3750</u>
15		
16	PWAC Non-Exempt Rate per 1000 gals. (line 14 / grossed up for GRFT @ 13.76%) (2)	<u>\$0.4348</u>
17		
18		
19		
20	<u>Pricing</u>	
21	<u>Exempt Sales</u>	
22	Projected Exempt Water Sales subject to PWAC (1000 gallons) (line 50) (3)	2,571,408
23	PWAC Exempt Rate per 1000 gallons (line 14)	\$0.3750
24	PWAC Exempt Revenue	\$964,278
25		
26	<u>Non-Exempt Sales</u>	
27	Non-Exempt PWAC recovery pre-GRFT (line 10 - 24)	\$29,420,520
28	Non-Exempt PWAC recovery grossed-up for GRFT (line 27 / (100% - 13.76%))	\$34,114,703
29		
30	Projected Non-exempt Water Sales subject to PWAC (1000 gallons) (line 50) (3)	78,461,798
31	PWAC Non-Exempt Rate per 1000 gallons (line 16)	\$0.4348
32	PWAC Non-Exempt Revenue	\$34,115,190
33		
34	Total PWAC Revenue (ln. 24 + 32)	<u>\$35,079,468</u>

Notes:
 (1) Uncollectible rate @ 0.47% per 3-year average of 2011-2013 uncollectible rates and Actual Assessment Rates @ 0.26878486769% (combined) (BPU = 0.211278609018% for 2015, Rate Counsel = 0.0575062586734% for 2015). Gross-up factor (100% - (0.47% + 0.26878486769%)) or 99.26%.
 (2) NJAWC Authorized GRFT rate is 13.76% per Docket #WR11070460.
 (3) Projected water sales are an average of calendar years 2012, 2013 and 2014 actual water usage.

	<u>Exempt</u>	<u>Non-Exempt</u>	<u>Total</u>
Water Sales (in 1000 gallons)	2,571,408	78,461,798	81,033,206

New Jersey American Water Company
Statement of Lakewood Sewer Service Actual Purchased Wastewater Treatment Operating Expense - PSTAC Sewer Service
PSTAC Year 4/1/14 - 3/31/15

Schedule DMD-4, Final 2/26/15
PSTAC Filing Year: 4/1/2014 - 3/31/2015
Page 1

New Jersey American Water Company
BPU Docket No. WR14111278
Witness Responsible: Dante M. DeStefano

Line No.	Purchased Wastewater Treatment	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Total
1														
2														
3	Lakewood Sewer Service													
4														
5	<u>Journal Entries</u>													
6	Entries/Accruals (1)	\$423,785	\$423,785	\$423,785	\$423,785	\$423,785	\$423,785	\$423,785	\$423,785	\$423,785	\$441,578	\$601,128	\$441,578	\$5,298,348
7	Total Bal. Purch. Wastewater Treat. A/C 511100	\$423,785	$423,785	$423,785	$423,785	$423,785	$423,785	$423,785	$423,785	$423,785	\$441,578	\$601,128	\$441,578	\$5,298,348
8														
9	<u>Adjustments</u>													
10	<u>Additions/Vouchers</u>													
11	Ocean County Utilities Authority (OCUA) Vouchers (2)	\$0	\$1,271,355	\$0	\$0	\$1,271,355	\$0	\$0	\$1,271,355	\$0	\$0	\$1,324,733	\$0	\$5,138,798
12	OCUA - 2014 Deficiency Charge Voucher (2)											159,550		159,550
13														0
14														0
15	Total of Additions	\$0	\$1,271,355	\$0	\$0	\$1,271,355	\$0	\$0	\$1,271,355	\$0	\$0	\$1,484,283	\$0	\$5,298,348
16														
17														
18	<u>Eliminations</u>													
19	Eliminate Accruals for Account	(\$423,785)	(\$423,785)	(\$423,785)	(\$423,785)	(\$423,785)	(\$423,785)	(\$423,785)	(\$423,785)	(\$423,785)	(\$441,578)	(\$601,128)	(\$441,578)	(\$5,298,348)
20														0
21	Total of Eliminations	(\$423,785)	($423,785)	($423,785)	($423,785)	($423,785)	($423,785)	($423,785)	($423,785)	($423,785)	(\$441,578)	(\$601,128)	(\$441,578)	(\$5,298,348)
22														
23	Total Purch. Wastewater Treat. Exp. As Adjusted	\$0	\$1,271,355	\$0	\$0	\$1,271,355	\$0	\$0	\$1,271,355	\$0	\$0	\$1,484,283	\$0	\$5,298,348

26 Notes:
27 (1) Journal Entries/accruals are based on actuals.
28 (2) February 2015 invoice based on quarter of annual charge per OCUA letter dated November 14, 2014. March 2015 Deficiency Charge per invoice dated 1/30/15.

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 4/1/13 - 3/31/14

New Jersey American Water Company
 BPU Docket No. WR14111278
 Witness Responsible: Dante M. DeStefano

Schedule DMD-9a, Final 2/26/15
 PSTAC Filing Year: 4/1/2013 - 3/31/2014
 Page 1

Line No.	Purchased Wastewater Treatment	Note (1) Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Total
1															
2	Ocean City Sewer Service														
3															
4	Total Billed PSTAC Revenue (2)		\$716,359	\$713,853	\$697,979	\$711,014	\$710,370	\$720,533	\$175,552	\$686,338	\$1,147,981	\$713,545	\$715,315	\$799,176	\$8,508,015
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		\$716,359	\$713,853	\$697,979	\$711,014	\$710,370	\$720,533	\$175,552	\$686,338	\$1,147,981	\$713,545	\$715,315	\$799,176	\$8,508,015
7															
8	Less: Uncollectibles & BPU/Div. Rate Counsel Exp. Factor (3)		0.9923	0.9923	0.9923	0.9923	0.9923	0.9923	0.9923	0.9923	0.9923	0.9923	0.9923	0.9923	0.9923
9	PSTAC Rev. net of GRFT, Uncoll., BPU/DRC exp. (line 6*8)		\$710,843	\$708,356	\$692,605	\$705,539	\$704,900	\$714,985	\$174,200	\$681,053	\$1,139,142	\$708,051	\$709,807	\$793,022	\$8,442,503
10															
11	Less: PSTAC True-up Under-recovery of \$535,367		44,613	44,614	44,614	44,614	44,614	44,614	44,614	44,614	44,614	44,614	44,614	44,614	535,367
12	from PSTAC Year 4/12-3/13 divided by 12 mos. (1)														
13															
14															
15	Total PSTAC Revenue net of Cost recoveries detailed above		666,230	663,742	647,991	660,925	660,286	670,371	129,586	636,439	1,094,528	663,437	665,193	748,408	7,907,136
16															
17	Total Purch. Wastewater Treat. Exp. As Adjusted -		0	2,062,601	0	0	2,062,601	0	0	2,062,601	0	0	0	1,452,479	7,640,282
18	(per Schedule DMD-8, In. 19)														
19															
20	Total PSTAC True-up Balance														
21	(Over-Recovered) / Under-Recovered (In. 17 - 15)		(\$666,230)	\$1,398,859	(\$647,991)	(\$660,925)	\$1,402,315	(\$670,371)	(\$129,586)	\$1,426,162	(\$1,094,528)	(\$663,437)	(\$665,193)	\$704,071	(\$266,855)
22															
23	Interest Calculation														
24	Total PSTAC Cumulative True-up Balance														
25	(Over-Recov.) / Under-Recov. (4)	\$535,367	(\$175,476)	\$1,178,769	\$486,164	(\$219,375)	\$1,138,326	\$423,341	\$249,141	\$1,630,689	\$491,547	(\$216,504)	(\$926,311)	(\$266,855)	
26															
27	Average of the Current & Prior months Cumulative		179,946	501,647	832,466	133,394	459,475	780,833	336,241	939,915	1,061,118	137,521	(571,408)	(596,583)	
28	True-up Balances														
29															
30															
31	Overall ROR Per Docket BPU#WR11070460 (5)		8.0398%	8.0398%	8.0398%	8.0398%	8.0398%	8.0398%	8.0398%	8.0398%	8.0398%	8.0398%	8.0398%	8.0398%	
32	Monthly Overall Rate of Return		0.67%	0.67%	0.67%	0.67%	0.67%	0.67%	0.67%	0.67%	0.67%	0.67%	0.67%	0.67%	
33	Interest on True-up Balances - (Over) / Under		\$1,206	\$3,361	\$5,578	\$894	\$3,078	\$5,232	\$2,253	\$6,297	\$7,109	\$921	(\$3,828)	(\$3,997)	\$28,104
34															
35															
36	Total PSTAC (Over-Recov.) / Under-Recov. including Interest														(\$266,855)
37															

Notes:
 (1) March 2013 represents the Total PSTAC True-up balance for Ocean City Sewer per Schedule DMD-9a per Docket No. WR13111038.
 (2) Billed PSTAC revenues are based on actuals.
 (3) The GRFT rate (not applicable to wastewater treatment costs) and the Uncollectible/BPU/Rate Council expense factor utilized herein is per Schedule DMD-11 - Per Settlement, BPU Docket #WR12111019.
 (4) Line 23 of the current month plus line 27 of the prior month less line 12 of the current month.
 (5) The ROR utilized for the period 4/1/13 - 3/31/14 is based upon the ROR per Board Order in the Base Rate Case BPU Docket #WR11070460.

New Jersey American Water Company
Summary Statement of Pro Forma Purchased Wastewater Treatment Expense
PSTAC Year 4/1/2015-3/31/2016

New Jersey American Water Company
BPU Docket No. WR14111278
Witness Responsible: Dante M. DeStefano

Schedule DMD-10, Final 2/26/15
PSTAC Filing Year: 4/1/2014 - 3/31/2015
Page 1

Line No.	Sewer Service Tariff Area / Vendor	Calendar Year 2015 Annual Charge	Projected Increase Effective 1/1/2016	Projected Calendar Year 2016 Annual Charge	Pro Forma PSTAC Year 4/1/15-3/31/16 Expense
	(1)	(2)	(3)	(4)	(5)
1	<u>Adelphia Sewer Service</u>				
2	Howell Township	\$977,537 (1)	0.00% (1a)	\$977,537	
3	<u>Annual Charge:</u>				
4	@ 9/12ths	733,153			
5	@ 3/12ths			244,384	
6	Pro forma Annual Cost PSTAC Yr. 4/1/2015-3/31/2016				\$977,537
7					
8					
9	Total Pro forma Costs PSTAC Yr. 4/1/2015-3/31/2016				<u>\$977,537</u>
10					
11	<u>Lakewood Sewer Service</u>				
12	Ocean County Utilities Authority	\$5,298,930 (2)	0.42% (2a)	\$5,321,362	
13					
14	<u>Annual Charge:</u>				
15	@ 9/12ths	3,974,198			
16	@ 3/12ths			1,330,341	
17	Pro forma Annual Cost PSTAC Yr. 4/1/2015-3/31/2016				\$5,304,539
18	OCUA's 2015 Estimated True-Up Deficiency Chg.				(67,547) (3)
19					
20					
21	Total Pro forma Costs PSTAC Yr. 4/1/2015-3/31/2016				<u>\$5,236,992</u>
22					
23	<u>Ocean City Sewer Service</u>				
24	Cape May County Municipal Utilities Authority	\$8,393,455 (4)	1.06% (4a)	\$8,482,705	
25	<u>Annual Charge:</u>				
26	@ 9/12ths	6,295,091			
27	@ 3/12ths			2,120,676	
28	Pro forma Annual Cost PSTAC Yr. 4/1/2015-3/31/2016				\$8,415,767
29	CMCUA's 2015 Estimated True-Up Deficiency Chg.				(233,620) (5)
30					
31					
32	Total Pro forma Costs PSTAC Yr. 4/1/2015-3/31/2016				<u>\$8,182,147</u>
33					
34					
35					
36	Total PSTAC Costs for PSTAC Year 4/1/2015-3/31/2016				<u>\$14,396,677</u>

- Notes:
- (1) MRRSA rate remains the same as 2014 per letter received from Twp of Howell dated December 31, 2014
 - (1a) Estimating no increase for 2016.
 - (2) Equal to annual charge per OCUA letter dated November 14, 2014.
 - (2a) Reflects 3-year average of increases in total expenses for 2013, 2014, and 2015.
 - (3) Estimate based on actual deficiency charges/credits for the three calendar years 2013 through 2015.
 - (4) Per CMCMA's 2015 Rate Setting Report.
 - (4a) Estimated 2016 increase based on 3-year average of increases for 2013-2015.
 - (5) Estimate based on actual deficiency charges/credits for the three calendar years 2013 through 2015.

**New Jersey American Water Company
Statement of Pro Forma PSTAC
PSTAC Year 4/1/2015-3/31/2016**

**New Jersey American Water Company
BPU Docket No. WR14111278
Witness Responsible: Dante M. DeStefano**

**Schedule DMD-11, Final 2/26/15
PSTAC Filing Year: 4/1/2014 - 3/31/2015
Page 1**

Line No.	(1)	(2)
CALCULATION of PSTAC Rates for Year 4/1/15-3/31/16 Without Compression (regular calc.)		Regular Calc.
		<u>Regular Calc.</u>
<u>Lakewood Sewer Service</u>		
1	Pro Forma Purchased Wastewater Treatment Expense - PSTAC Year 4/01/2015-3/31/2016 (Schedule DMD-10)	\$5,236,992
2	PSTAC True-up from PSTAC Year 4/01/14-3/31/15 (Schedule DMD-5)	<u>(339,667)</u>
3	sub-total (lines 1 + 2)	\$4,897,325
4	Gross-up factor for Uncollectibles Exp. & Actual 2014 BPU / Div. Rate Counsel Assessments (1)	<u>0.9926</u>
5	PSTAC for Recovery 4/1/2015-3/31/2016 (line 3 / 4)	\$4,933,836
6	Total Projected Sewer Service Sales subject to PSTAC (1000 gallons) (2)	<u>1,293,242</u>
7	PSTAC per 1000 gallons (line 5 / 6) (3)	<u>\$3.8151</u>
<u>Adelphia Sewer Service</u>		
8	Pro Forma Purchased Wastewater Treatment Expense - PSTAC Year 4/01/2015-3/31/2016 (Schedule DMD-10)	\$977,537
9	PSTAC True-up from PSTAC Year 4/01/14-3/31/15 (Schedule DMD-7)	<u>(13,482)</u>
10	sub-total (lines 8 + 9)	\$964,055
11	Gross-up factor for Uncollectibles Exp. & Actual 2014 BPU / Div. Rate Counsel Assessments (1)	<u>0.9926</u>
12	PSTAC for Recovery 4/1/2015-3/31/2016 (line 10 / 11)	\$971,242
13	Total Projected Sewer Service Sales subject to PSTAC (1000 gallons) (2)	<u>166,344</u>
14	PSTAC per 1000 gallons (line 12 / 13) (3)	<u>\$5.8388</u>
<u>Ocean City Sewer Service</u>		
15	Pro Forma Purchased Wastewater Treatment Expense - PSTAC Year 4/01/2015-3/31/2016 (Schedule DMD-10)	\$8,182,147
16	PSTAC True-up from PSTAC Year 4/01/14-3/31/15 (Schedule DMD-9)	<u>170,108</u>
17	sub-total (lines 15 + 16)	\$8,352,255
18	Gross-up factor for Uncollectibles Exp. & Actual 2014 BPU / Div. Rate Counsel Assessments (1)	<u>0.9926</u>
19	PSTAC for Recovery 4/1/2015-3/31/2016 (line 17 / 18)	\$8,414,523
20	Total Projected Sewer Service Sales subject to PSTAC (1000 gallons) (2)	<u>338,183</u>
21	PSTAC per 1000 gallons (line 19 / 20) (3)	<u>\$24.8816</u>

Notes:

(1) Uncollectible rate @ 0.47% per 3-year average of 2011-2013 uncollectible rates and Actual Assessment Rates @ 0.26878486769% (combined) (BPU = 0.211278609018% for 2015, Rate Counsel = 0.0575062586734% for 2015). Gross-up factor (100% - (0.47% + 0.26878486769%)) or 99.26%.

(2) See Schedule DMD-11, page 2 for explanation of Projected Sewer Sales.

(3) Gross-up for GRFT not applicable - wastewater treatment costs are deductible from Gross Receipts when computing GRFT.

**New Jersey American Water Company
Pro Forma PSTAC-Supporting Sewer Service Sales Worksheet
PSTAC Year 4/1/2015-3/31/2016**

**New Jersey American Water Company
BPU Docket No. WR14111278
Witness Responsible: Dante M. DeStefano**

**Schedule DMD-11, Final 2/26/15
PSTAC Filing Year: 4/1/2014 - 3/31/2015
Page 2**

Pro forma Lakewood Sewer Service Sales:

	1,293,242 (1)
Total Sales Lakewood	<u>1,293,242</u>

Pro forma Adelpia Sewer Service Sales:

	166,344 (2)
Total Sales Adelpia	<u>166,344</u>

Pro forma Ocean City Sewer Service Sales:

	338,183 (3)
Total Sales Ocean City	<u>338,183</u>

Notes:

- (1) Source: Average of 3/31/13, 3/31/14, and 12/31/14 actual consumption, refer to RCR-032 discovery request.
- (2) Source: Average of customers' 2012, 2013 & 2014 actual wastewater consumption.
- (3) Source: Average of 2012, 2013 and 2014. actual summer wastewater consumption.

New Jersey American Water Company
Statement of Pro Forma Filing Costs
PWAC Year 4/1/2015-3/31/2016

New Jersey American Water Company

BPU Docket No. WR14111278

Witness Responsible: Dante M. DeStefano

Schedule DMD-12, Final 2/26/15

PWAC Filing Year: 4/1/2014 - 3/31/2015

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Line

No.

	<u>Estimated</u>
	<u>Pro Forma</u>
	<u>Filing Costs</u>
1	
2	
3	
4	
5	Legal \$0
6	Public Noticing 5,261
7	Court Reporting 1,515
8	
9	Total Pro Forma Filing Costs <u><u>\$6,776 (1)</u></u>

10

11

12 (1) These costs carry to Schedule DMD - 3 for inclusion in PWAC recovery at 50%.

13

14

15

16

17

18

19

20

New Jersey Amercian Water Company
PWAC/PSTAC Filing Year 4/1/2015-3/31/2016 BPU Docket # WR14111278
Calculation of Revenue Increase

TOTAL REVENUES (Base + PWAC/PSTAC)Base Rate Revenues per BPU ORDER Doc. #WR11070460 note (3)

	Water	Sewer	Total
Water - Exh. P-2, Schd.5, Pg.1, Col.10, In. 11	\$584,063,073		\$584,063,073
Sewer:- Exh. P-2, Schd 5, Pg 4, Col. 10			
Adelphia Sewer - In. 6		1,271,322	1,271,322
Lakewood Sewer - In. 7		6,478,922	6,478,922
Ocean City Sewer - In. 8		5,708,725	5,708,725
Other Sewer Service not subject to PSTAC - Ins. 9-11 & 20		6,462,274	6,462,274
Total Base Rate Revenues per BPU ORDER	<u>\$584,063,073</u>	<u>\$19,921,243</u>	<u>\$603,984,316</u>

DSIC Rate Revenues per BPU Order Doc #WR12070669
Total DSIC Rate Revenues per BPU Order

	\$30,902,688	\$	30,902,688
Total DSIC Rate Revenues per BPU Order	<u>\$614,965,761</u>	<u>\$19,921,243</u>	<u>\$634,887,004</u>

Pro Forma PWAC/PSTAC Present Rate Revenues per Current Filing

PWAC per Schedule DMD-3, Col.2, (In 23 * \$0.3902) + (In 31 * \$0.4525) note (1)	\$36,507,327		\$36,507,327
PSTAC per Schedule DMD-11 (ref. cols and lines below) note (2):			
Adelphia Sewer - Col. 2, In 14 * \$6.4594		1,074,488	1,074,488
Lakewood Sewer - Col. 2, In 7 * \$3.7965		4,909,853	4,909,853
Ocean City Sewer - Col. 2, In 21 * \$24.0083		8,119,208	8,119,208
Total Pro Forma PWAC/PSTAC Revenue Increase	<u>\$36,507,327</u>	<u>\$14,103,549</u>	<u>\$50,610,876</u>

Total Present Rate Revenues (Base + DSIC + PWAC/PTSAC) per above

Water	\$651,473,088		\$651,473,088
Adelphia Sewer		2,345,810	2,345,810
Lakewood Sewer		11,388,775	11,388,775
Ocean City Sewer		13,827,933	13,827,933
Other Sewer Service not subject to PSTAC		6,462,274	6,462,274
Total Present Rate Revenues	<u>\$651,473,088</u>	<u>\$34,024,792</u>	<u>\$685,497,880</u>

Pro Forma PWAC/PSTAC Proposed Revenue Increase per Current Filing

PWAC	(\$1,427,859)		(\$1,427,859)
PSTAC Adelphia Sewer		(103,246)	(103,246)
PSTAC Lakewood Sewer		23,983	23,983
PSTAC Ocean City Sewer		295,315	295,315
Total Pro Forma PWAC/PSTAC Revenue Increase	<u>(\$1,427,859)</u>	<u>\$216,052</u>	<u>(\$1,211,807)</u>

Pro Forma PWAC/PSTAC Proposed Rev.Incr.% over current Total Present Rev.

PWAC	-0.22%		-0.22%
PSTAC Adelphia Sewer		-4.40%	-4.40%
PSTAC Lakewood Sewer		0.21%	0.21%
PSTAC Ocean City Sewer		2.14%	2.14%
Total Pro Forma PWAC/PSTAC Revenue Increase %	<u>-0.22%</u>	<u>0.63%</u>	<u>-0.18%</u>

Notes:(1) Present Rates on an Uncompressed basis per Schedule DMD-3 - Per Settlement, WR13111038. Usage per DMD-3, lines 22 and 30.

(2) Present Rates on an Uncompressed basis per Schedule DMD-11 - Per Settlement, WR13111038. Usage per DMD-11.

(3) Approx. \$56 mil. Of Base Revenues are not subject to PWAC (Fire Service, Uninter. Manasquan Serv., and Other Operating Revenues)

New Jersey American Water Company
PWAC & PSTAC Rate Filing - Bill Comparisons

Schedule DMD-16, Final 2/26/16
 BPU Docket No. WR14111278

Usage in Gallons, Usage Rates in 1000 gallons
 Proposed Rates are Compressed Rates

PWAC

Service Area	Monthly Usage	Present Rates					Present Monthly Bill	Present Annual Bill
		Base Rates Eff. 5/1/12		PWAC Eff. 4/1/14		DSIC Eff. 1/1/15		
		Mon.Fix Serv. Chg. 5/8	Usage Chg Rate	Usage Chg Rate	Usage Chg Rate	Monthly Chg. 5/8		
SA1 - STATEWIDE	6,500	\$10.60	\$5.9405	\$0.4525	\$2.97	\$55.12	\$661.44	
SA2 & SA3 & SA1a	6,500	10.60	5.5331	0.4525	2.97	52.48	629.76	
Manville	6,500	10.60	5.0057	0.4525	2.97	49.05	588.60	
Southampton	6,500	10.60	4.4814	0.4525	2.97	45.64	547.68	
SA-1d	6,500	9.00	5.1912	0.4525	2.97	48.65	583.80	
SA-1b Pennsgrove	6,500	9.00	4.0682	0.4525	2.97	41.35	496.20	

PSTAC

Adelphia Sewer Rates	Monthly Usage	Present Rates			Present Monthly Bill	Present Annual Bill
		Base Rates Eff. 5/1/12		PSTAC Eff. 4/1/14		
		Mon.Fix Serv. Chg. 5/8"	Usage Chg Rate	Usage Chg Rate		
Rates		\$5.69	\$5.5060	\$6.4594		
Monthly Bill Calculation	4,000	\$5.69	\$22.02	\$25.84	\$53.55	\$642.60

PSTAC

Ocean City Sewer Rates	Annual Usage	Summer Qtr. Usage	Present Rates			Present Monthly Bill	Present Annual Bill
			Base Rates Eff. 5/1/12		PSTAC Eff. 4/1/14		
			Sewer Usage Charge (1)	Minimum Service Charge (2)	Service Charge (2)		
Rates			\$1.8698	\$11.1038	\$24.0083		
Annual Bill Calculation	44,000	20,000	\$82.27	\$222.08	\$480.17	\$65.38	\$784.52

Notes: (1) Applicable to each month's current usage.
 (2) Applicable to prior year's summer quarter usage.

PSTAC

Lakewood Sewer Rates	Monthly Usage	Present Rates			Present Monthly Bill	Present Annual Bill
		Base Rates Eff. 5/1/12		PSTAC Eff. 4/1/14		
		Mon.Fix Serv. Chg. 5/8"	Usage Chg Rate	Usage Chg Rate		
Rates		\$15.06	\$3.4102	\$3.7965		
Monthly Bill Calculation	6,000	\$15.06	\$20.46	\$22.78	\$58.30	\$699.60

(1) Exempt PWAC rate of \$0.3750 per 1000 gallons.

Present Rates					Proposed	
Base Rates Eff. 5/1/12		DSIC Eff. 1/1/15		PWAC (1)	Proposed Monthly Bill	Proposed Annual Bill
Mon.Fix Serv. Chg. 5/8	Usage Chg Rate	Usage Chg Rate	Usage Chg Rate	Usage Chg Rate		
\$10.60	\$5.9405	\$2.97	\$0.4348	\$55.01	\$660.12	
10.60	5.5331	2.97	0.4348	52.36	628.32	
10.60	5.0057	2.97	0.4348	48.93	587.16	
10.60	4.4814	2.97	0.4348	45.53	546.36	
9.00	5.1912	2.97	0.4348	48.54	582.48	
9.00	4.0682	2.97	0.4348	41.24	494.88	

Present Rates			Proposed	
Base Rates Eff. 5/1/12		PSTAC	Proposed Monthly Bill	Proposed Annual Bill
Mon.Fix Serv. Chg. 5/8	Usage Chg Rate	Usage Chg Rate		
\$5.69	\$5.5060	\$5.8388		
\$5.69	\$22.02	\$23.36	\$51.07	\$612.84

Present Rates			Proposed	
Base Rates Eff. 5/1/12		PSTAC	Proposed Monthly Bill	Proposed Annual Bill
Sewer Usage Charge (1)	Minimum Service Charge (2)	Minimum Service Charge (2)		
\$1.8698	\$11.1038	\$24.8816		
\$82.27	\$222.08	\$497.63	\$66.83	\$801.98

Present Rates			Proposed	
Base Rates Eff. 5/1/12		PSTAC	Proposed Monthly Bill	Proposed Annual Bill
Mon.Fix Serv. Chg. 5/8	Usage Chg Rate	Usage Chg Rate		
\$15.06	\$3.4102	\$3.8151		
\$15.06	\$20.46	\$22.89	\$58.41	\$700.92

5/8" Customer			
Increase			
Monthly	Monthly%	Annual	%
(\$0.11)	-0.20%	(\$1.32)	-0.20%
(0.12)	-0.23%	(1.44)	-0.23%
(0.12)	-0.24%	(1.44)	-0.24%
(0.11)	-0.24%	(1.32)	-0.24%
(0.11)	-0.23%	(1.32)	-0.23%
(0.11)	-0.27%	(1.32)	-0.27%

5/8" Customer			
Increase			
Monthly	Monthly%	Annual	%
(\$2.48)	-4.63%	(\$29.76)	-4.63%

5/8" Customer			
Increase			
Monthly	Monthly%	Annual	%
\$1.45	2.22%	\$17.40	2.22%

5/8" Customer			
Increase			
Monthly	Monthly%	Annual	%
\$0.11	0.19%	\$1.32	0.19%

New Jersey American Water Company
Statement of Pro Forma Purchased Water Expense
PWAC Year 4/1/2015-3/31/2016

New Jersey American Water Company
BPU Docket No. WR14111278
Witness Responsible: Robert R. Schaefer

Schedule RRS-1, Final 2/26/15
PWAC Filing Year: 4/1/2014 - 3/31/2015
Page 1

Purchased Water Vendor	Actual PWAC Year 4/1/14-3/31/15 Purchases (MGY)	Annual Contract Minimum (MGY)	Pro Forma Purchases (MGY)	Pro Forma Rate per MG	Pro Forma PWAC Year 4/1/2015-3/31/2016 Expense
(1)	(2)	(3)	(4)	(5)	(6)
Passaic Valley Water Commission (PVWC): PVWC - power component	3,894.459	3,777.750	4,155.190 (1b)	\$2,413.01 (1)	\$10,026,515 \$682,881 (2)
Morris County Municipal Utilities Authority	236.632	220.000	236.632	\$2,533.00 (3)	\$599,389
Montclair Water Bureau	88.845		85.706 (4a)	\$1,737.97 (4)	\$148,954
New Jersey Water Supply Authority (NJWSA)					
Manasquan:	4,562.500				
Contract @ Initial rate		2,943.725	2,943.725	\$1,047.03 (5)	\$3,082,168
Contract @ Delayed rate		1,618.775	1,618.775	\$1,185.27 (5a)	\$1,918,685
Power component					\$229,353 (5b)
Overdraft service	0.000		1.860		\$2,287 (5c)
Raritan:					
Contract	46,439.58	46,209.00	46,209.00	\$251.25 (6)	\$11,610,011
Legislative grant	1,062.15	1,062.15	1,062.15	\$0.00	\$0
Overdraft service	0.00		326.68		\$40,453 (6a)
Retroactive Debt Service					\$200,301 (6b)
Credit against Retroactive Debt Serv. Pymts					(\$197,932) (6c)
Atlantic City Municipal Utilities Authority:					
Base rate	180.000	180.000	180.000	\$3,767.38 (7)	\$678,128
Excess rate	371.085	372.822	372.822	\$3,342.25 (7)	\$1,246,063
Township of Maple Shade	6.700		6.700		\$51,251 (8)
Borough of Seaside Heights	63.709		63.709	\$2,750.00 (9)	\$175,200
Shorelands Water Company:					
Union Beach connections:	189.974				
Sale for Resale rate		182.500	177.877	\$2,198.00 (10)	\$390,974
Backup bulk sales rate			4.623	\$4,007.00 (10)	\$18,524
Fixed chg:2 - 4" meter (per mo.)					\$5,692 (10)
Fixed chg:2 - 6" meter (per mo.)				\$474.38 (10)	\$11,385
Union Beach Deficiency bill					\$73,601 (11)
Holmdel connection:					
Backup bulk sales rate	9.378		9.554 (10a)	\$4,007.00 (10)	\$38,283
Fixed chg:1 - 6" meter (per mo)				\$474.38 (10)	\$5,693
Marlboro Township MUA	92.437	91.250	97.536 (12a)	\$4,188.24 (12)	\$408,504
City of Wildwood	35.233	35.000	38.510 (1a)	\$2,510.00 (13)	\$96,660
East Windsor Municipal Utilities Authority	1.252		1.252		\$2,734 (14)
			<u>57,592.298</u>		<u>\$31,545,737</u>

- Notes: (1) Prorated Rate - 9 months of rate effective 4/1/15 - \$2,389.12 - and 3 months increase of 4% effective 1/1/16 per letter dated 1/6/15.
(1a) 3 year average of usage for the 12 months ended 3/31/13, 3/31/14 and 3/31/15. See Note 1, DMD-1a for explanation for year ended 3/31/15.
(1b) 3 year average of usage for the 12 months ended 3/31/13, 3/31/14 and 3/31/15. See Note 1, DMD-1a for explanation for year ended 3/31/15.
(2) Actual Power costs for PWAC Yr. 4/1/14-3/31/15 per Sch. DMD-1.
(3) Prorated rate effective 1/1/15 for NJ American of 111% times the 2015 base rate of \$2.265 (\$2,514) for 9 months and 3 months of rate effective 1/1/16, estimating 3% increase to base rate (\$2,334) times 111% (\$2,590).
(4) Present rates - Effective 11/1/08.
(4a) 3-year average for the 12 months ended 3/31/13, 3/31/14, and 3/31/15. See Note 1, DMD-1a for explanation for year ended 3/31/15.
(5) Prorated rate - 3 months of actual rate Eff. 7/1/14-6/30/15 \$1,015.90 per mg and 9 mos. of proposed 7/1/15-6/30/16 rate, \$1,057.40 per mg.
(5a) Prorated rate - 3 months of actual rate Eff. 7/1/14-6/30/15 \$1,168.49 per mg and 9 mos. of proposed 7/1/15-6/30/16 rate, \$1,190.86 per mg.
(5b) Actual Power costs for PWAC Yr. 4/1/14-3/31/15 per Sch. DMD-1.
(5c) Estimated overdraft service charge based upon average of 12 months ended 3/31/13, 3/31/14 and 3/31/15 actual monthly and annual overdraft charges. See Note 2, DMD-1 for explanation for year ended 3/31/15.
(6) Prorated rate - 3 months of actual rate Eff. 8/4/14-6/30/15 \$246 per mg and 9 months of NJWSA's proposed 7/1/15-6/30/16 rate \$253 per mg.
(6a) Estimated overdraft service charge based upon 3 year average for the periods ended 3/31/13, 3/31/14 and 3/31/15 annual overdraft charges. See Note 2, DMD-1 for explanation for year ended 3/31/15.
(6b) Actual annual retroactive debt service charge effective January 2008.
(6c) Estimated prior period credit against the debt service charge is based upon a 3 year average of these credits for the 12 months ended 3/2013, 3/2014 and 3/2015.
(7) Rates effective as of 1/1/15 per attached information from ACMUA dated 1/2/15.
(8) Actual costs PWAC Year 4/1/14-3/31/15.
(9) Present rates - Effective 1/31/07.
(10) Present rates - Effective 1/19/11, including PWAC rates effective 7/1/12.
(10a) 3 year average of usage for the 12 months ended 3/31/13, 3/31/14 and 3/31/15. See Note 1, DMD-1a for explanation for year ended 3/31/15.
(11) Estimated Union Beach deficiency bill based upon a 3-year average of the dollars associated with the deficiency in PWAC Years ended 3/31/13, 3/31/14 and 3/31/15.
(12) Prorated rate reflects the average of the 12 monthly projected rates during PWAC Yr. 4/1/15 - 3/31/16. The rate incorporates MWC (Middlesex) and MTMUA components. The MWC rate component was based on the current actual rate eff. 7/20/2014 of \$2,878.01 per mg. The MTMUA component was prorated based on 11 months of the current contractual rate of \$1,308.05 and 1 month of a contractual 2% rate incr. effective 3/1/16 of \$1,334.21. The MTMUA rate increase is effective on the anniversary of the Water Service Effective Date of 3/1/09.
(12a) 3 year average of usage for the 12 months ended 3/31/13, 3/31/14 and 3/31/15. See Note 1, DMD-1a for explanation for year ended 3/31/15.
(13) Present rates - Effective 1/1/2012.
(14) Actual costs for PWAC year 4/1/14-3/31/15.



Via Federal Express and Facsimile (609) 689-4100

March 3, 2015

Honorable Elia A. Pelios, ALJ
Office of Administrative Law
9 Quakerbridge Plaza
P.O. Box 049
Trenton, NJ 08625-0049

**RE: IN THE MATTER OF THE PETITION OF NEW JERSEY AMERICAN
WATER COMPANY, INC. FOR APPROVAL TO CHANGE THE LEVELS
OF ITS PURCHASED WATER ADJUSTMENT CLAUSE AND PURCHASED
WASTEWATER (SEWERAGE) TREATMENT ADJUSTMENT CLAUSE**

**BPU Docket No.: WR14111278
OAL Docket No.: PUC 14774-2014S**

Dear Judge Pelios:

Middlesex Water Company ("Middlesex"), an Intervenor in the above-referenced matter, has reviewed the proposed Stipulation of Settlement ("Stipulation") that has been executed by the signatory parties and forwarded to Your Honor today. Please be advised that Middlesex does not object to the Stipulation.

Respectfully submitted,



Jay L. Kooper

Vice President, General Counsel & Secretary

JLK:rk

Encl.

cc: Attached Service List (via e-mail only)

"A Provider of Water, Wastewater & Related Products and Services"

Middlesex Water Company NASDAQ: MSEX 1500 Ronson Road, Iselin, NJ 08830-3020 www.middlesexwater.com
(732) 634-1500 Tel. (732) 638-7515 Fax

**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. WR14111278
OAL Docket No. PUC PUC 14774-2014S**

Service List

Valerie Haynes, Chief
Bureau of Information Mgmt.
Board of Public Utilities
44 South Clinton Avenue, 9th Fl.
PO Box 350
Trenton, NJ 08625

Maria Moran, Director
Division of Water and Wastewater
Board of Public Utilities
44 South Clinton Avenue, 9th Fl.
PO Box 350
Trenton, NJ 08625

Matthew J. Koczur
Board of Public Utilities
Division of Water and Wastewater
44 South Clinton Avenue, 9th Fl.
PO Box 350
Trenton, NJ 08625

Mike Kammer
Division of Water and Wastewater
Board of Public Utilities
44 South Clinton Avenue, 9th Fl.
PO Box 350
Trenton, NJ 08625

Kofi Ocansey
Board of Public Utilities
Division of Water and Wastewater
44 South Clinton Avenue, 9th Fl.
PO Box 350
Trenton, NJ 08625

Alex Moreau, DAG
Division of Law
124 Halsey Street
P.O. Box 45029
Newark, NJ 07101

Geoffrey Gersten, DAG
Division of Law
124 Halsey Street
P.O. Box 45029
Newark, NJ 07101

Stefanie A. Brand, Director
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625

Debra F. Robinson, Esq.
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625

Christine Juarez, Esq.
Division of Rate Counsel
140 East Front Street, 4th Floor
P.O. Box 003
Trenton, NJ 08625

Robert J. Henkes
Henkes Consulting
7 Sunset Road
Old Greenwich, CT 06870

Robert J. Brabston, Esq.
New Jersey-American Water Company
167 J.F. Kennedy Parkway
Short Hills, NJ 07078

Frank X. Simpson
Director of Rates & Regulation
New Jersey-American Water Company
1025 Laurel Oak Road
Voorhees, NJ 08043

**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. WR14111278
OAL Docket No. PUC PUC 14774-2014S**

Service List

Dante DeStefano
Financial Analyst
New Jersey-American Water Company
1025 Laurel Oak Road
Voorhees, NJ 08043

Robert R. Schaefer, PE
Sr. Director, Production
New Jersey American Water
P.O. Box 102
Bound Brook, NJ 08805



State of New Jersey
OFFICE OF ADMINISTRATIVE LAW

INITIAL DECISION SETTLEMENT

OAL DKT. NO. PUC 14774-14

AGENCY DKT. NO. WR14111278

**I/M/O NEW JERSEY AMERICAN WATER
COMPANY, INC. FOR AUTHORIZATION
TO CHANGE THE LEVELS OF ITS
PURCHASED WATER ADJUSTMENTS
CLAUSE ("PWAC") AND PURCHASED
SEWERAGE TREATMENT ADJUSTMENT
CLAUSE ("PSTAC").**

Robert J. Brabston, Esq., for petitioner (New Jersey American Water Company, Inc.)

Alex Moreau and **Geoffrey Gersten**, Deputy Attorneys General, for respondent (Jeffrey S. Chiesa, Attorney General of New Jersey, attorney)

Christine Juarez, Assistant Deputy Rate Counsel, for Division of Rate Counsel, appearing pursuant to N.J.A.C. 1:1-5.4(a)2

Jay L. Kooper, Esq., for intervenor, Middlesex Water Company

Record Closed: March 3, 2015

Decided: March 11, 2015

BEFORE **ELIA A. PELIOS**, ALJ:

This proceeding involves a petition by New Jersey American Water Company, Inc., for approval of a purchased water adjustment clause and purchased sewerage treatment adjustment clause. The petition was transmitted to the Office of Administrative Law on November 14, 2014, for determination as a contested case. Duly noticed public hearings were held in Ocean City, New Jersey, and Westampton Township, New Jersey on February 10, 2015, and in Howell, New Jersey, and Maplewood, New Jersey, on February 12, 2015. Five members of the public appeared on February 12, 2015, in Howell, with public testimony provided on the record by one member of the public. No members of the public appeared in Maplewood, Ocean City or Westampton. No written comments were submitted by the public.

The parties filed on March 3, 2014, a Stipulation of Settlement (J-1) which resolves all issues in this proceeding. Said Stipulation of Settlement has been signed by all parties, indicates the terms of settlement, and is attached and fully incorporated herein.

A motion to intervene was filed on behalf of Middlesex Water Company on January 13, 2015. No opposition was filed and the motion is hereby **GRANTED**. Middlesex Water Company has conveyed that it does not object to the stipulation (I-1).

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

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

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

This recommended decision may be adopted, modified or rejected by the **BOARD OF PUBLIC UTILITIES**, which by law is authorized to make a final decision in this matter. If the Board of Public Utilities does not adopt, modify or reject this decision within forty-five days and unless such time limit is otherwise extended, this recommended decision shall become a final decision in accordance with N.J.S.A. 52:14B-10.

March 11, 2015

DATE



ELIA A. PELIOS, ALJ

Date Received at Agency:

Date Mailed to Parties:

/mel

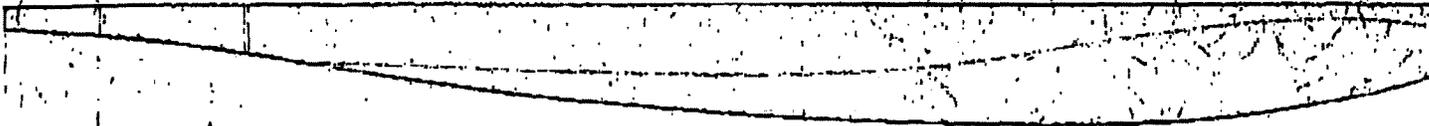
EXHIBITS

Jointly Submitted

J-1 Stipulation of Settlement

Submitted by Middlesex Water Company

I-1 Letter Expressing Lack of Objection to J-1



**NEW JERSEY
AMERICAN WATER**

715 429 0955
NEW JERSEY AMERICAN WATER
SHORT HILLS, NJ 07078

Robert J. Brabston
Corporate Counsel
107 J.F. Kennedy Parkway
Short Hills, NJ 07078
Robert.Brabston@amwater.com

P 973.564.6710
F 973.564.6700

February 27, 2015

Via Facsimile and Regular Mail

Hon. Ella A. Pellos, ALJ
Office of Administrative Law
9 Quakerbridge Plaza
P.O. Box 049
Trenton, New Jersey 08625-0049

**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
OAL DOCKET NO. PUC 14774-20148**

Dear Judge Pellos;

Attached to this letter is the signed stipulation, representing the parties' settlement of the above-captioned matter. The parties request that, if it pleases Your Honor, the Motion to Intervene filed on behalf of Middlesex Water Company (which has not been opposed) be approved as part of the Initial Decision.

Please do not hesitate to contact me should you have any questions.

Respectfully submitted,

Robert J. Brabston

RJB:djq
cc: Service list (via e-mail)

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

IN THE MATTER OF THE PETITION OF : BPU DOCKET NO. WR14111278
NEW JERSEY-AMERICAN WATER :
COMPANY, INC. FOR APPROVAL TO : OAL DOCKET NO. PUC 14774-2014
CHANGE THE LEVEL OF ITS PURCHASED :
WATER ADJUSTMENT CLAUSE AND : STIPULATION OF SETTLEMENT
PURCHASED WASTEWATER (SEWERAGE) :
TREATMENT ADJUSTMENT CLAUSE :

APPEARANCES:

Robert J. Brabston, Esq., on behalf of New Jersey-American Water Company, Inc.,
Petitioner;

Alex Moreau, Deputy Attorney General, on behalf of the Staff of the Board of Public
Utilities (John J. Hoffman, Acting Attorney General of New Jersey);

Christine Juarez, Assistant Deputy Rate Counsel, on behalf of the Division of Rate
Counsel; and

Jay L. Kooper, Esq., on behalf of Middlesex Water Company, Intervenor

TO THE HONORABLE BOARD OF PUBLIC UTILITIES:

On November 7, 2014, 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, with respect to increased purchased water expense and increased purchased wastewater treatment expense. The total amount originally requested was an increase of \$412,475 or 0.06% above total Company revenues of \$654,442,888. As a result of settlement discussions, the Signatory Parties indicated below have agreed to a total overall stipulated decrease of (\$1,211,807) or (-0.18%) below total Company revenues of \$685,497,880.

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; Morris County Municipal Utilities Authority; Montclair Water Bureau; Shorelands Water Company; New Jersey Water Supply Authority; Atlantic City Municipal Utilities Authority; 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. The three sewerage treatment purveyors are: Cape May County Municipal Utilities Authority for the Petitioner's Ocean City Sewer tariff group; Ocean County Utilities Authority for the Petitioner's Lakewood Sewer tariff group; and Howell Township for the Petitioner's Adelpia 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 the Petition filed within the instant proceeding, Petitioner proposed to increase its PWAC rate upon PWAC Rate Schedule O-1 from \$0.4525 per thousand gallons of water to \$0.4577 per thousand gallons of water for Non-Exempt customers. Petitioner proposed to increase its PWAC rate from \$0.3902 per thousand gallons of water to \$0.3947 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 prior year's winter quarter usage (January, February and March meter readings), as reflected upon PSTAC Rate Schedule 2-B, would change from \$3.7965 per thousand gallons to \$3.6296 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 \$24.0083 per thousand gallons to \$24.5226 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 \$6.4594 per thousand gallons to \$6.6559 per thousand gallons.

The Board transmitted this matter to the Office of Administrative Law (the "OAL") as a contested case. A telephonic prehearing conference was held on January 7, 2015 with the Honorable Elia A. Pellos, Administrative Law Judge, during which, among other things, Judge Pellos directed that public hearings be held on this matter.

On January 13, 2015, Middlesex Water Company ("Middlesex") filed a motion to intervene in the instant proceeding. No party opposed Middlesex's motion and Judge Pellos indicated that the motion would be granted. Middlesex has been included on the service list, received all discovery, and participated in all conferences and meetings. Four public hearings were held in Petitioner's service area; in Ocean City on February 10 at 2 p.m. (no public attendees); Westampton on February 10 at 6 p.m. (no public attendees); Maplewood on February 12 at 2 p.m. (no public attendees); and Howell Township on February 12 at 6 p.m. (five public attendees, with one speaking on the record).

The Division of Rate Counsel ("Rate Counsel") and Board Staff served interrogatories on Petitioner, which were responded to in full by Petitioner. During the proceeding, Petitioner received updated information from the various water and wastewater service purveyors whose costs comprise the Petitioner's requested relief. This information was provided to all of the parties on a timely basis. Petitioner, Board Staff, and Rate Counsel ("Signatory Parties") and Middlesex participated in a discovery/settlement conference on February 26, 2015, after the public hearings had been held and public comment received into the record for consideration by

all parties. As a result of the Petitioner's updates, the discovery conducted and of the negotiations, the Signatory Parties have been able to reach agreement on this matter, the provisions of which are set forth below.

SETTLEMENT AGREEMENT

1. The Signatory Parties recommend that the Board approve a change to Petitioner's PWAC rate on PWAC Rate Schedule O-1 from \$0.4525 per thousand gallons of water for Non-Exempt customers to \$0.4348 per thousand gallons of water for Non-Exempt customers and from \$0.3902 per thousand gallons of water for Exempt customers to \$0.3750 per thousand gallons of water for Exempt customers.

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

- For Lakewood Township, Ocean County, the rate per thousand gallons of prior year's winter quarter as reflected within PSTAC Rate Schedule 2-B will change from \$3.7965 per thousand gallons to \$3.8151 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 change from \$24.0083 per thousand gallons to \$24.8816 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 change from \$6.4594 per thousand gallons to \$5.8388 per thousand gallons.

3. The effective PWAC rate change would result in a decrease in the annual bill of an average residential customer utilizing 6,500 gallons per month as follows:

	<u>Present Monthly Bill</u>	<u>Proposed Per Month</u>	<u>Amount Decrease</u>	<u>Percentage Decrease</u>
SA-1	\$55.12	\$55.01	(\$0.11)	0.20%
SA-1B Pennsgrove	\$41.35	\$41.24	(\$0.11)	0.27%

	<u>Present Monthly Bill</u>	<u>Proposed Per Month</u>	<u>Amount Decrease</u>	<u>Percentage Decrease</u>
SA-1D	\$48.65	\$48.54	(\$0.11)	0.23%
SA-2, SA-3 & SA1A	\$52.48	\$52.36	(\$0.12)	0.23%
SA-2 Manville	\$49.05	\$48.93	(\$0.12)	0.24%
SA-3 Southampton	\$45.64	\$45.53	(\$0.11)	0.24%

4. The PSTAC rate changes will result in: an increase for a typical residential sewer service customer in Lakewood Township, Ocean County utilizing 18,000 gallons of water in the winter quarter, of \$0.11 per month or 0.19%; an 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, of \$1.45 per month or 2.22%; and a decrease to an average sewer service customer in the Adelpia section of Howell Township, Monmouth County utilizing 48,000 gallons of water per year, of (\$2.48) per month or (4.63%).

5. These PWAC and PSTAC rates are calculated as being effective April 1, 2015.

6. NJAWC plans to file its 2015 PWAC/PSTAC petition on or before November 15, 2015.

7. Within this Stipulation, the Signatory 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 DMD-2, attached to this Stipulation. The Signatory Parties agree to review this methodology and adjust it as necessary and appropriate in future PWAC proceedings.



**NEW JERSEY
AMERICAN WATER**

FAX

DATE: January 9, 2015

TO: ALJ Pellos

FROM: Robert J. Brabston

COMPANY: OAL

PHONE: (973) 564-5716

FAX: (609) 889-4100

FAX: (973) 564-5708

PAGES (including cover): 30

RE: WMO 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

OAL DOCKET NO. PUC 14774-2014S

SUBJECT: _____

Please see attached transmittal letter and fully executed stipulation of settlement in the above-captioned matter.

PRIVILEGED & CONFIDENTIAL

This fax, including attachments, may contain information that is confidential and it may be protected by the attorney/client or other privileges. This fax, including attachments, constitutes non-public information intended to be conveyed only to the designated recipient(s). If you are not an intended recipient, please delete this fax, including attachments, and notify me by telephone at (973) 564-5716. The unauthorized use, dissemination, distribution or reproduction of this fax, including attachments, is prohibited and may be unlawful.



Robert J. Brabston
Corporate Counsel
107 J.F. Kennedy Parkway
Short Hills, NJ 07078
Robert.Brabston@amwater.com

F 973.684.5718
F 973.684.5708

February 27, 2015

Via Facsimile and Regular Mail

Hon. Ella A. Pellos, ALJ
Office of Administrative Law
9 Quakerbridge Plaza
P.O. Box 049
Trenton, New Jersey 08625-0049

**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
OAL DOCKET NO. PUC 14774-2014S**

Dear Judge Pellos:

Attached to this letter is the signed stipulation, representing the parties' settlement of the above-captioned matter. The parties request that, if it pleases Your Honor, the Motion to Intervene filed on behalf of Middlesex Water Company (which has not been opposed) be approved as part of the Initial Decision.

Please do not hesitate to contact me should you have any questions.

Respectfully submitted,

Robert J. Brabston

RJB:dlo

cc: Service llat (via e-mail)

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

IN THE MATTER OF THE PETITION OF	:	BPU DOCKET NO, WR14111278
NEW JERSEY-AMERICAN WATER	:	
COMPANY, INC. FOR APPROVAL TO	:	OAL DOCKET NO, PUC 14774-2014
CHANGE THE LEVEL OF ITS PURCHASED	:	
WATER ADJUSTMENT CLAUSE AND	:	STIPULATION OF SETTLEMENT
PURCHASED WASTEWATER (SEWERAGE)	:	
TREATMENT ADJUSTMENT CLAUSE	:	

APPEARANCES:

Robert J. Brabston, Esq., on behalf of New Jersey-American Water Company, Inc.,
Petitioner;

Alex Moreau, Deputy Attorney General, on behalf of the Staff of the Board of Public
Utilities (John J. Hoffman, Acting Attorney General of New Jersey);

Christine Juarez, Assistant Deputy Rate Counsel, on behalf of the Division of Rate
Counsel; and

Jay L. Kooper, Esq., on behalf of Middlesex Water Company, Intervenor

TO THE HONORABLE BOARD OF PUBLIC UTILITIES;

On November 7, 2014, 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, with respect to increased purchased water expense and increased purchased wastewater treatment expense. The total amount originally requested was an increase of \$412,475 or 0.06% above total Company revenues of \$654,442,888. As a result of settlement discussions, the Signatory Parties indicated below have agreed to a total overall stipulated decrease of (\$1,211,807) or (-0.18%) below total Company revenues of \$685,497,880.

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; Morris County Municipal Utilities Authority; Montclair Water Bureau; Shorelands Water Company; New Jersey Water Supply Authority; Atlantic City Municipal Utilities Authority; 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. The three sewerage treatment purveyors are: Cape May County Municipal Utilities Authority for the Petitioner's Ocean City Sewer tariff group; Ocean County Utilities Authority for the Petitioner's Lakewood Sewer tariff group; and Howell Township for the Petitioner's Adelpia 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 the Petition filed within the instant proceeding, Petitioner proposed to increase its PWAC rate upon PWAC Rate Schedule O-1 from \$0.4525 per thousand gallons of water to \$0.4577 per thousand gallons of water for Non-Exempt customers. Petitioner proposed to increase its PWAC rate from \$0.3902 per thousand gallons of water to \$0.3947 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 prior year's winter quarter usage (January, February and March meter readings), as reflected upon PSTAC Rate Schedule 2-B, would change from \$3.7965 per thousand gallons to \$3.6296 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 \$24.0083 per thousand gallons to \$24.5226 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 \$6.4594 per thousand gallons to \$6.6559 per thousand gallons.

The Board transmitted this matter to the Office of Administrative Law (the "OAL") as a contested case. A telephonic prehearing conference was held on January 7, 2015 with the Honorable Elia A. Pellos, Administrative Law Judge, during which, among other things, Judge Pellos directed that public hearings be held on this matter,

On January 13, 2015, Middlesex Water Company ("Middlesex") filed a motion to intervene in the instant proceeding. No party opposed Middlesex's motion and Judge Pellos indicated that the motion would be granted. Middlesex has been included on the service list, received all discovery, and participated in all conferences and meetings. Four public hearings were held in Petitioner's service area: in Ocean City on February 10 at 2 p.m. (no public attendees); Westampton on February 10 at 6 p.m. (no public attendees); Maplewood on February 12 at 2 p.m. (no public attendees); and Howell Township on February 12 at 6 p.m. (five public attendees, with one speaking on the record).

The Division of Rate Counsel ("Rate Counsel") and Board Staff served interrogatories on Petitioner, which were responded to in full by Petitioner. During the proceeding, Petitioner received updated information from the various water and wastewater service purveyors whose costs comprise the Petitioner's requested relief. This information was provided to all of the parties on a timely basis. Petitioner, Board Staff, and Rate Counsel ("Signatory Parties") and Middlesex participated in a discovery/settlement conference on February 26, 2015, after the public hearings had been held and public comment received into the record for consideration by

all parties. As a result of the Petitioner's updates, the discovery conducted and of the negotiations, the Signatory Parties have been able to reach agreement on this matter, the provisions of which are set forth below.

SETTLEMENT AGREEMENT

1. The Signatory Parties recommend that the Board approve a change to Petitioner's PWAC rate on PWAC Rate Schedule O-1 from \$0.4525 per thousand gallons of water for Non-Exempt customers to \$0.4348 per thousand gallons of water for Non-Exempt customers and from \$0.3902 per thousand gallons of water for Exempt customers to \$0.3750 per thousand gallons of water for Exempt customers.

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

- For Lakewood Township, Ocean County, the rate per thousand gallons of prior year's winter quarter as reflected within PSTAC Rate Schedule 2-B will change from \$3.7965 per thousand gallons to \$3.8151 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 change from \$24.0083 per thousand gallons to \$24.8816 per thousand gallons.
- For customers in the Adelpia section of Howell Township, Monmouth County, the rate per thousand gallons of water as reflected upon PSTAC Rate Schedule 3-B, will change from \$6.4594 per thousand gallons to \$5.8388 per thousand gallons.

3. The effective PWAC rate change would result in a decrease in the annual bill of an average residential customer utilizing 6,500 gallons per month as follows:

	<u>Present</u> <u>Monthly Bill</u>	<u>Proposed</u> <u>Per Month</u>	<u>Amount</u> <u>Decrease</u>	<u>Percentage</u> <u>Decrease</u>
SA-1	\$55.12	\$55.01	(\$0.11)	0.20%
SA-1B Pennsgrove	\$41.35	\$41.24	(\$0.11)	0.27%

	<u>Present Monthly Bill</u>	<u>Proposed Per Month</u>	<u>Amount Decrease</u>	<u>Percentage Decrease</u>
SA-1D	\$48.65	\$48.54	(\$0.11)	0.23%
SA-2, SA-3 & SA1A	\$52.48	\$52.36	(\$0.12)	0.23%
SA-2 Manville	\$49.05	\$48.93	(\$0.12)	0.24%
SA-3 Southampton	\$45.64	\$45.53	(\$0.11)	0.24%

4. The PSTAC rate changes will result in: an increase for a typical residential sewer service customer in Lakewood Township, Ocean County utilizing 18,000 gallons of water in the winter quarter, of \$0.11 per month or 0.19%; an 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, of \$1.45 per month or 2.22%; and a decrease to an average sewer service customer in the Adelpia section of Howell Township, Monmouth County utilizing 48,000 gallons of water per year, of (\$2.48) per month or (4.63%).

5. These PWAC and PSTAC rates are calculated as being effective April 1, 2015.

6. NJAWC plans to file its 2015 PWAC/PSTAC petition on or before November 15, 2015.

7. Within this Stipulation, the Signatory 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 DMD-2, attached to this Stipulation. The Signatory Parties agree to review this methodology and adjust it as necessary and appropriate in future PWAC proceedings.

8. The PWAC/PSTAC rates established herein will decrease annual revenues by (\$1,211,807) or (0.18%).

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 Board Staff and Rate Counsel.

10. This Stipulation shall be binding on the Signatory Parties to this proceeding upon approval hereof by the Board. This Stipulation shall bind the Signatory Parties in this matter only and shall not be considered precedential in any other proceeding involving the Signatory 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 Signatory Parties hereto is entitled to certain procedures in the event of such occurrence.

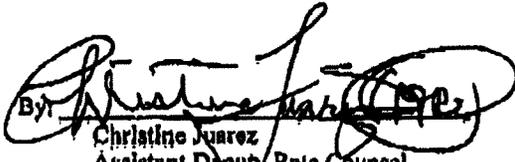
12. If any modification is made to the terms of this Stipulation, the Signatory Parties must be given the right to be placed in the position in which each Signatory Party was before this Stipulation was executed. It is essential that each Signatory Party be given the option to modify its own position,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

13. The Signatory 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.

15. The Signatory Parties understand that Middlesex will file a letter with the OAL indicating that it does not object to the Stipulation.

STEFANIE A. BRAND, DIRECTOR
DIVISION OF RATE COUNSEL

By: 
Christine Juarez
Assistant Deputy Rate Counsel

Dated: 02-03-2015

NEW JERSEY-AMERICAN WATER
COMPANY, INC.

By: 
Robert J. Brabston
Corporate Counsel

Dated: 2/27/2015

JOHN J. HOFFMAN
ACTING ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the Board of Public Utilities

By: 
Alex Moreau
Deputy Attorney General

Dated: March 2, 2015

May Jersey American Water Company
 Statement of Actual Purchased Water/Generating Expenses - 2786AC Water Service
 PABC Year 6/14-30/15

Schedule 200 1, Filed 2/20/15
 PABC File # 0702997 - 3/1/2015
 Page 1

May Jersey American Water Company
 601 Delsea Blvd., NJ 08043-2278
 Utilities Department, Route 64, Drexelton

Line No.	Purchased Water	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Total
1	Yankee/Whisper													
2	Albany City Municipal Utility Authority	\$ 116,180	\$ 118,455	\$ 118,021	\$ 150,707	\$ 224,859	\$ 250,826	\$ 282,000	\$ 310,978	\$ 350,000	\$ 374,424	\$ 419,256	\$ 474,424	\$ 3,744,254
3	Borough of Plainfield	0	0	0	0	0	0	0	0	0	0	0	0	0
4	Township of Maple Shade	10,506	0	0	0	14,947	0	0	18,822	0	0	0	0	34,275
5	Morris County Municipal Utilities Authority	47,311	46,520	47,311	54,358	57,704	57,387	53,085	43,889	32,885	28,065	26,065	26,065	680,254
6	Morris County Municipal Utilities Authority	7,086	57,011	7,086	10,328	28,504	33,047	35,841	16,332	3,814	16,332	28,877	28,877	318,418
7	City of Newark - Shawolongo	0	0	0	0	0	0	0	0	0	0	0	0	0
8	City of Newark - Shawolongo	0	1,220,613	0	0	0	0	0	0	0	0	0	0	1,220,613
9	MUMSA - Water - Monmouth	0	0	0	0	0	0	0	0	0	0	0	0	0
10	MUMSA - Water - Monmouth	0	0	0	0	0	0	0	0	0	0	0	0	0
11	MUMSA - Power Component - Monmouth	53,517	50,519	50,519	29,490	0	0	0	0	0	0	0	0	133,036
12	Piscataway Valley Water Co. - Water	782,088	818,258	818,258	1,097,737	883,729	720,684	0	0	0	0	0	0	4,222,756
13	Piscataway Valley Water Co. - Power Component	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Sea Isle City	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Sea Isle City	0	0	0	0	0	0	0	0	0	0	0	0	0
16	Shawolongo Heights Borough	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Shawolongo Heights Borough	30,248	28,859	28,859	33,034	28,891	0	0	0	0	0	0	0	121,032
18	City of Westfield	0	0	0	0	0	0	0	0	0	0	0	0	0
19	City of Westfield	0	0	0	0	0	0	0	0	0	0	0	0	0
20	Other - Various	0	0	0	0	0	0	0	0	0	0	0	0	0
21	Montico Municipal Utility Authority	31,201	30,282	30,282	32,877	31,203	0	0	0	0	0	0	0	125,763
22	MUMSA - Water - Monmouth	885,574	884,088	884,088	1,081,723	851,000	582,143	0	0	0	0	0	0	4,374,528
23	MUMSA - Water - Monmouth - Credit 10	0	0	0	0	0	0	0	0	0	0	0	0	0
24	MUMSA - Credit - Easton	0	0	0	0	0	0	0	0	0	0	0	0	0
25	City of Newark - Newark	0	0	0	0	0	0	0	0	0	0	0	0	0
26	East Windsor Municipal Utility	0	0	0	0	0	0	0	0	0	0	0	0	0
27	East Windsor Municipal Utility	0	0	0	0	0	0	0	0	0	0	0	0	0
28	Yield on Investments [2]	51,622,500	51,622,500	51,622,500	51,622,500	51,622,500	51,622,500	51,622,500	51,622,500	51,622,500	51,622,500	51,622,500	51,622,500	516,225,000
29	Journal Entries	0	0	0	0	0	0	0	0	0	0	0	0	0
30	Accounts for Account 610100	2,423,428	1,516,787	679,553	1,606,885	499,354	486,870	21,228	13,941,859	1,687,888	1,687,888	1,687,888	0	20,345,399
31	Total Balances of Account 610100 (Purch. Wtr)	54,398,410	52,622,117	52,301,941	52,230,688	52,230,688	52,230,688	52,230,688	52,230,688	52,230,688	52,230,688	52,230,688	52,230,688	520,876,082
32	Adjustments													
33	Eliminations													
34	Eliminations													
35	Eliminations													
36	Eliminations													
37	Eliminations													
38	Eliminations													
39	Eliminations													
40	Eliminations													
41	Eliminations													
42	Eliminations													
43	Eliminations													
44	Total of Adjustments													
45	Total Purchased Water Expenses As Adjusted	\$ 54,398,410	\$ 52,622,117	\$ 52,301,941	\$ 52,230,688	\$ 52,230,688	\$ 52,230,688	\$ 52,230,688	\$ 52,230,688	\$ 52,230,688	\$ 52,230,688	\$ 52,230,688	\$ 52,230,688	\$ 520,876,082
46	None													
47	None													
48	None													
49	None													
50	None													
51	None													
52	None													
53	None													
54	None													
55	None													

(1) Projects credit against prior period debt service payments.
 (2) Purchased Water expenses reflect schedule adjustments for schedule 2015 activity. The adjusted activity is based on a 3-year average usage of year ended 2012, 2013, and 2014 for that location month, multiplied by the applicable allocation. This method for allocating expenses and MUMSA-fee is based on the actual usage and rate of 2014.
 (3) Interest paid for late payment is recorded from total expenses.

New Jersey American Water Company
 Statement of Actual-Purchased Water Volumes (1000 Gallons) Associated with Actual-Purchased Water Expenses - PMAIC Water Service
 PMAIC Year 2014 - 2015 (1)

Schedule DMB 1a, Period 201515
 PMAIC 1800 Year 2014-2015
 Page 1

New Jersey American Water Company
 EPD Decided No. WR0417278
 Whistle Blower: Denise M. DeStefano

Line No.	Purchased Water	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Total
1														
2														
3	Verona Water (1,000 gallons)													631,865
4	Atlantic City Municipal Utility Authority													6,720
5	Township of Frenchtown													234,652
6	Township of March Shipler													18,365
7	Atlantic County Municipal Utilities Authority													4,562,590
8	Municipal Water Bureau													3,484,459
9	City of Newark - Newark City													15,208
10	City of Newark - Newark City													12,535
11	MJMSA - Newark - Newark City													12,535
12	MJMSA - Newark - Newark City													12,535
13	Piscataway Water Company													12,535
14	Shrewsbury Water Company													12,535
15	City of Millersburg													12,535
16	Pennington Borough													12,535
17	Other Utilities													12,535
18	Newark Municipal Utility Authority													12,535
19	MJMSA - Water - Newark													12,535
20	MJMSA - Water - Newark													12,535
21	MJMSA - Newark - Newark													12,535
22	City of Newark - Newark													12,535
23	East Windsor Municipal Utility													12,535
24	Total Volume Assoc. with PMAIC													12,535
25	Total Volume Assoc. with PMAIC													12,535
26														12,535
27														12,535
28														12,535
29														12,535
30														12,535
31														12,535

(1) Purchased Water usage includes actuals except for February 2014 through March 2015 actuals. The actuals activity is based on 12-month average usage of year ending 2017, 2017, and 2012.4 for that period.

CONFIDENTIAL: FOR SETTLEMENT PURPOSES ONLY, NOT FOR EVIDENTIARY USE.

New Jersey American Water Company
Statement of Pro Forma PWAC
PWAC Year 4/1/2015-3/31/2016

New Jersey American Water Company
BPU Docket No. WR14111278
Witness Responsible: Dante M. DeStefano

Schedule DMD 3, Final 2/26/16
PWAC Filing Year: 4/1/2014 - 3/31/2015
Page 1

Line	(1)	(2)						
1	CALCULATION of PWAC Rates for Year 4/1/2015-3/31/2016 Without Compression (regular calc.)							
		Regular Calc.						
2	Pro forma Purchased Water Exp.- PWAC Year 4/01/15-3/31/16 (Schd. RRS-1)	\$31,548,737						
3	PWAC True-up from PWAC Year 4/01/14-3/31/15 (Schedule DMD-2)	(1,389,174)						
4	Pro forma filing costs @ 50% (Schedule. DMD-12)	3,389						
5								
6	sub-total (lines 2+3+4)	\$30,169,951						
7								
8	Gross-up factor for Uncollect. Exp. & Actual 2016 BPU / Div. Rate Counsel Assessments (1)	0.9928						
9								
10	PWAC for Recovery 4/1/15-3/31/16 pre-GRFT (line 6 / 8)	\$30,384,798						
11								
12	Total Projected Water Sales subject to PWAC (1000 gallons) (line 51) (3)	81,033,206						
13								
14	PWAC Exempt Rate per 1000 gallons (line 10 / 12)	\$0.3760						
15								
16	PWAC Non-Exempt Rate per 1000 gals. (line 14 / grossed up for GRFT @ 13.76%) (2)	\$0.4348						
17								
18								
19								
20	<u>Pricing</u>							
21	<u>Exempt Sales</u>							
22	Projected Exempt Water Sales subject to PWAC (1000 gallons) (line 50) (3)	2,671,408						
23	PWAC Exempt Rate per 1000 gallons (line 14)	\$0.3760						
24	PWAC Exempt Revenue	\$994,278						
25								
26	<u>Non-Exempt Sales</u>							
27	Non-Exempt PWAC recovery pre-GRFT (line 10 - 24)	\$29,420,620						
28	Non-Exempt PWAC recovery grossed-up for GRFT (line 27 / (100% - 13.76%))	\$34,114,709						
29								
30	Projected Non-exempt Water Sales subject to PWAC (1000 gallons) (line 50) (3)	78,461,798						
31	PWAC Non-Exempt Rate per 1000 gallons (line 16)	\$0.4348						
32	PWAC Non-Exempt Revenue	\$34,114,180						
33								
34	Total PWAC Revenue (ln. 24 + 32)	\$35,079,468						
35								
36								
37	Notes:							
38	(1) Uncollectible rate @ 0.47% per 3-year average of 2011-2013 uncollectible rates and Actual Assessment Rates							
39	@ 0.28878486769% (combined) (BPU = 0.211278609018% for 2015, Rate Counsel = 0.0675062686734% for 2016). Gross-up factor (100% - (0.47% + 0.28878486769%)) or 99.26%.							
40								
41	(2) NJAWC Authorized GRFT rate is 13.76% per Docket #WR11070480.							
42	(3) Projected water sales are an average of calendar years 2012, 2013 and 2014 actual water usage.							
43								
44								
45	Water Sales (in 1000 gallons)	<table border="0"> <tr> <td style="text-align: center;"><u>Exempt</u></td> <td style="text-align: center;"><u>Non-Exempt</u></td> <td style="text-align: center;"><u>Total</u></td> </tr> <tr> <td style="text-align: center;">2,671,408</td> <td style="text-align: center;">78,461,798</td> <td style="text-align: center;">81,033,206</td> </tr> </table>	<u>Exempt</u>	<u>Non-Exempt</u>	<u>Total</u>	2,671,408	78,461,798	81,033,206
<u>Exempt</u>	<u>Non-Exempt</u>	<u>Total</u>						
2,671,408	78,461,798	81,033,206						

State of Louisiana Sewer Service Authority
 PSZAC Year 2014-2015
 PSZAC Year 2014-2015

PSZAC Year 2014-2015
 PSZAC Year 2014-2015
 Page 1

Row Jersey American Water Company
 EPA District No. NRE641228
 Business Reporting Date: 02/14/2015

Line	Description	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Total
1	Unallocated Sewer Charges												
2	Unallocated Sewer Charges												
3	Unallocated Sewer Charges												
4	Unallocated Sewer Charges												
5	Unallocated Sewer Charges												
6	Unallocated Sewer Charges												
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97	Unallocated Sewer Charges												
98	Unallocated Sewer Charges												
99	Unallocated Sewer Charges												
100	Unallocated Sewer Charges												

(1) January 2015 bills are based on actual data.
 (2) February 2015 bills are based on a quarter of annual charge per invoice dated 1/31/15.

New Jersey American Water Company
 Statement of Available Sewer Service Actual Purchases of Wastewater Treatment Operating Expenses - PSTAC Sewer Service
 PSTAC Year 4/1/14 - 3/31/15

Schedule DDD-4, Filed 2/26/15
 PSTAC Filing Year: 4/1/2014 - 3/31/2015
 Page 1

New Jersey American Water Company
 8941 Drexel Ave., WPC4111278
 Wilkes-Barre, PA 18201

Line	Description	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Total
1	Purchased Wastewater Treatment													
2														
3	Adjustments													
4	Accounts Payable	205,383	205,383	205,383	205,383	205,383	205,383	205,383	205,383	205,383	205,383	205,383	205,383	\$1,804,635
5	Total Sewer Treatment, A/C 041100	205,383	205,383	205,383	205,383	205,383	205,383	205,383	205,383	205,383	205,383	205,383	205,383	\$1,804,635
6	Adjustments													
7	Accounts Payable	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	2,040,800
8	Total Sewer Treatment, A/C 041100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	2,040,800
9	Adjustments													
10	Accounts Payable	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	2,040,800
11	Total Sewer Treatment, A/C 041100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	2,040,800
12	Adjustments													
13	Accounts Payable	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	2,040,800
14	Total Sewer Treatment, A/C 041100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	2,040,800
15	Adjustments													
16	Accounts Payable	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	2,040,800
17	Total Sewer Treatment, A/C 041100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	2,040,800
18	Adjustments													
19	Accounts Payable	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	2,040,800
20	Total Sewer Treatment, A/C 041100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	2,040,800
21	Adjustments													
22	Accounts Payable	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	2,040,800
23	Total Sewer Treatment, A/C 041100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	2,040,800
24	Adjustments													
25	Accounts Payable	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	2,040,800
26	Total Sewer Treatment, A/C 041100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	2,040,800
27	Adjustments													
28	Accounts Payable	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	2,040,800
29	Total Sewer Treatment, A/C 041100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	2,040,800
30	Adjustments													
31	Accounts Payable	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	2,040,800
32	Total Sewer Treatment, A/C 041100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	2,040,800
33	Adjustments													
34	Accounts Payable	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	2,040,800
35	Total Sewer Treatment, A/C 041100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	2,040,800
36	Adjustments													
37	Accounts Payable	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	2,040,800
38	Total Sewer Treatment, A/C 041100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	2,040,800
39	Adjustments													
40	Accounts Payable	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	2,040,800
41	Total Sewer Treatment, A/C 041100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	2,040,800
42	Adjustments													
43	Accounts Payable	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	2,040,800
44	Total Sewer Treatment, A/C 041100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	2,040,800
45	Adjustments													
46	Accounts Payable	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	2,040,800
47	Total Sewer Treatment, A/C 041100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	2,040,800
48	Adjustments													
49	Accounts Payable	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	2,040,800
50	Total Sewer Treatment, A/C 041100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	255,100	2,040,800

Notes:
 (1) The 12/31/15 quarterly payment of \$255,100 is estimated, based upon last year's payments. The actual quarterly payment is updated in March 2015, see Note 3.
 (2) Actual Entitlements are based on schedule.
 (3) Estimated true up payment in March 2015 for the January 2015 billing.

State of Oregon
 Department of Public Safety
 Oregon State Police
 Fiscal Year 2015 - 2016

Schedule D-4, Fiscal 2015
 PSTAC Filing Year 4/1/14 - 3/31/15
 Page 1

State of Oregon
 Department of Public Safety
 Oregon State Police
 Fiscal Year 2015 - 2016

Line No.	Description	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Total
1	Police													
2	Police													
3	Police													
4	Accounts													
5	Total													
6	Police													
7	Police													
8	Police													
9	Police													
10	Police													
11	Police													
12	Total of Additions													
13														
14														
15														
16														
17	Total of Deductions													
18														
19	Total Police													
20														
21														
22														
23														
24	Total													
25														

10252074, 1st Quarter 2015 (later amended dated 10252074, 1st Quarter 2015) based on CACALPTS 2015 User Change Rate Setting Report.

**New Jersey American Water Company
Summary Statement of Pro Forma Purchased Wastewater Treatment Expense
PSTAC Year 4/1/2015-3/31/2016**

New Jersey American Water Company
BPU Docket No: WR14111278
Witness Responsible: Dante M. DeStefano

Schedule DMD-10, Final 2/26/15
PSTAC Filing Year 4/1/2014 - 3/31/2015
Page 1

Line No.	Sewer Service Tariff Area / Vendor (1)	Calendar Year 2015 Annual Charge (2)	Projected Increase Effective 1/1/2016 (3)	Projected Calendar Year 2016 Annual Charge (4)	Pro Forma PSTAC Year 4/1/15-3/31/16 Expense (5)
1	Adelphia Sewer Service				
2	Howell Township	9977,537 (1)	0.00% (1a)	9977,537	
3	Annual Charge:				
4	@ 9/12ths	739,163			
5	@ 3/12ths			244,984	
6	Pro forma Annual Cost PSTAC Yr. 4/1/2015-3/31/2016				9977,537
7					
8					
9	Total Pro forma Costs PSTAC Yr. 4/1/2015-3/31/2016				<u>9977,537</u>
10					
11	Lakewood Sewer Service				
12	Ocean County Utilities Authority	85,289,990 (2)	0.42% (2a)	85,321,362	
13					
14	Annual Charge:				
15	@ 9/12ths	3,874,198			
16	@ 3/12ths			1,330,341	
17	Pro forma Annual Cost PSTAC Yr. 4/1/2015-3/31/2016				85,304,630
18	OCUA's 2015 Estimated True-Up Deficiency Chg.				(87,647) (2)
19					
20					
21	Total Pro forma Costs PSTAC Yr. 4/1/2015-3/31/2016				<u>85,289,992</u>
22					
23	Ocean City Sewer Service				
24	Cape May County Municipal Utilities Authority	98,393,455 (4)	1.08% (4a)	98,482,705	
25	Annual Charge:				
26	@ 9/12ths	8,295,091			
27	@ 3/12ths			2,120,670	
28	Pro forma Annual Cost PSTAC Yr. 4/1/2015-3/31/2016				98,415,767
29	CMCUA's 2015 Estimated True-Up Deficiency Chg.				(233,820) (2)
30					
31					
32	Total Pro forma Costs PSTAC Yr. 4/1/2015-3/31/2016				<u>98,182,147</u>
33					
34					
35					
36	Total PSTAC Costs for PSTAC Year 4/1/2015-3/31/2016				<u><u>314,395,677</u></u>

Notes:
 (1) MRRSA rate remains the same as 2014 per letter received from Twp of Howell dated December 31, 2014
 (1a) Estimating no increase for 2016.
 (2) Equal to annual charge per OCUA letter dated November 14, 2014.
 (2a) Reflects 3-year average of increases in total expenses for 2013, 2014, and 2015.
 (3) Estimate based on actual deficiency charges/credits for the three calendar years 2013 through 2016.
 (4) Per CMCUA's 2015 Rate Setting Report.
 (4a) Estimated 2016 increase based on 3-year average of increases for 2013-2015.
 (5) Estimate based on actual deficiency charges/credits for the three calendar years 2013 through 2016.

New Jersey American Water Company
Statement of Pro Forma PSTAC
PSTAC Year 4/1/2015-3/31/2016

New Jersey American Water Company
BPU Docket No. WR1411278
Witness Responsible: Dante M. DeStefano

Schedule DMD-11, Final 2/28/15
PSTAC Filing Year: 4/1/2014 - 3/31/2016
Page 1

Line No.	(1) CALCULATION of PSTAC Rates for Year 4/1/15-3/31/16 Without Compression (regular calc.)	(2) Regular Calc.
Lakewood Sewer Service		
1	Pro Forma Purchased Wastewater Treatment Expense - PSTAC Year 4/01/2015-3/31/2016 (Schedule DMD-10)	\$5,238,982
2	PSTAC True-up from PSTAC Year 4/01/14-3/31/15 (Schedule DMD-6)	(339,667)
3	sub-total (lines 1 + 2)	\$4,897,325
4	Gross-up factor for Uncollectibles Exp. & Actual 2014 BPU / Div. Rate Counsel Assessments (1)	0.9928
5	PSTAC for Recovery 4/1/2015-3/31/2016 (line 3 / 4)	\$4,899,836
6	Total Projected Sewer Service Sales subject to PSTAC (1000 gallons) (2)	1,293,242
7	PSTAC per 1000 gallons (line 5 / 6) (3)	\$3,8161
Adelphia Sewer Service		
8	Pro Forma Purchased Wastewater Treatment Expense - PSTAC Year 4/01/2015-3/31/2016 (Schedule DMD-10)	\$977,537
9	PSTAC True-up from PSTAC Year 4/01/14-3/31/15 (Schedule DMD-7)	(13,482)
10	sub-total (lines 8 + 9)	\$964,055
11	Gross-up factor for Uncollectibles Exp. & Actual 2014 BPU / Div. Rate Counsel Assessments (1)	0.9928
12	PSTAC for Recovery 4/1/2015-3/31/2016 (line 10 / 11)	\$971,242
13	Total Projected Sewer Service Sales subject to PSTAC (1000 gallons) (2)	166,344
14	PSTAC per 1000 gallons (line 12 / 13) (3)	\$5,8368
Ocean City Sewer Service		
15	Pro Forma Purchased Wastewater Treatment Expense - PSTAC Year 4/01/2015-3/31/2016 (Schedule DMD-10)	\$8,182,147
16	PSTAC True-up from PSTAC Year 4/01/14-3/31/15 (Schedule DMD-8)	170,108
17	sub-total (lines 15 + 16)	\$8,352,255
18	Gross-up factor for Uncollectibles Exp. & Actual 2014 BPU / Div. Rate Counsel Assessments (1)	0.9926
19	PSTAC for Recovery 4/1/2015-3/31/2016 (line 17 / 18)	\$8,414,523
20	Total Projected Sewer Service Sales subject to PSTAC (1000 gallons) (2)	338,183
21	PSTAC per 1000 gallons (line 19 / 20) (3)	\$24,8816

Notes:

- (1) Uncollectible rate @ 0.47% per 3-year average of 2011-2013 uncollectible rates and Actual Assessment Rates @ 0.28678486768% (combined) (BPU = 0.211276808018% for 2015, Rate Counsel = 0.0879062586784% for 2015). Gross-up factor (100% - (0.47% + 0.28678486768%)) or 99.26%.
- (2) See Schedule DMD-11, page 2 for explanation of Projected Sewer Sales.
- (3) Gross-up for GRFT not applicable - wastewater treatment costs are deductible from Gross Receipts when computing GRFT.

New Jersey American Water Company
Pro Forma PSTAC-Supporting Sewer Service Sales Worksheet
PSTAC Year 4/1/2015-3/31/2016

New Jersey American Water Company
BPU Docket No. WR1411278
Witness Responsible: Dante M. DeStefano

Schedule DMD-11, Final 2/26/15
PSTAC Filing Year: 4/1/2014 - 3/31/2015
Page 2

Pro forma Lakewood Sewer Service Sales:

Total Sales Lakewood	1,293,242 (1)
	<u>1,293,242</u>

Pro forma Adelphia Sewer Service Sales:

Total Sales Adelphia	166,344 (2)
	<u>166,344</u>

Pro forma Ocean City Sewer Service Sales:

Total Sales Ocean City	338,183 (3)
	<u>338,183</u>

Notes:

- (1) Source: Average of 3/31/13, 3/31/14, and 12/31/14 actual consumption, refer to RCR-032 discovery request.
- (2) Source: Average of customers' 2012, 2013 & 2014 actual wastewater consumption.
- (3) Source: Average of 2012, 2013 and 2014, actual summer wastewater consumption.

New Jersey American Water Company
Statement of Pro Forma Filing Costs
PWAC Year 4/1/2014-3/31/2015

New Jersey American Water Company
BPU Docket No. WR14111278
Witness Responsible: Dante M. DeStefano

Schedule DMD-12, Final 2/26/15
PWAC Filing Year: 4/1/2014 - 3/31/2015
Page 1

Line No.		Estimated Pro Forma Filing Costs
1		
2		
3		
4		
5	Legal	\$0
6	Public Noticing	5,261
7	Court Reporting	1,515
8		
9	Total Pro Forma Filing Costs	\$8,776 (1)
10		
11		
12	(1) These costs carry to Schedule DMD - 3 for inclusion in PWAC recovery at 50%.	
13		
14		
15		
16		
17		
18		
19		
20		

New Jersey American Water Company
 PWAC/PSTAC Filing Year 4/1/2016-3/31/2016 BPU Docket# WR14111278
 Calculation of Revenue Increase

Schedule DMD-16, Final 2/26/16

TOTAL REVENUES (Base + PWAC/PSTAC)**Base Rate Revenues per BPU ORDER Doc. #WR11070460 note (1)**

	Water	Sewer	Total
Water - Exh. P-2, Schd. 6, Pg. 1, Col. 10, ln. 11	\$584,083,073		\$584,083,073
Sewer- Exh. P-2, Schd 6, Pg 4, Col. 10			
Adelphia Sewer - ln. 6		1,271,322	1,271,322
Lakewood Sewer - ln. 7		6,476,922	6,476,922
Ocean City Sewer - ln. 8		6,708,725	6,708,725
Other Sewer Service not subject to PSTAC - lns. 9-11 & 20		6,482,274	6,482,274
Total Base Rate Revenues per BPU ORDER	\$584,083,073	\$19,921,243	\$603,984,316

DSIC Rate Revenues per BPU Order Doc #WR12070669

	\$30,802,688	\$	\$30,802,688
Total DSIC Rate Revenues per BPU Order	\$30,802,688		\$30,802,688

Pro Forma PWAC/PSTAC Present Rate Revenues per Current Filing

	Water	Sewer	Total
PWAC per Schedule DMD-3, Col. 2, (ln 28 * \$0.3902) + (ln 31 * \$0.4526) note (1)	\$38,507,327		\$38,507,327
PSTAC per Schedule DMD-11 (ref. cols and lines below) note (2):			
Adelphia Sewer - Col. 2, ln 14 * \$8.4684		1,074,486	1,074,486
Lakewood Sewer - Col. 2, ln 7 * \$3.7986		4,908,853	4,908,853
Ocean City Sewer - Col. 2, ln 21 * \$24.0088		8,119,208	8,119,208
Total Pro Forma PWAC/PSTAC Revenue Increase	\$38,507,327	\$14,103,548	\$52,610,875

Total Present Rate Revenues (Base + DSIC + PWAC/PSTAC) per above

Water	\$621,473,088		\$621,473,088
Adelphia Sewer		2,345,810	2,345,810
Lakewood Sewer		11,385,776	11,385,776
Ocean City Sewer		13,827,933	13,827,933
Other Sewer Service not subject to PSTAC		6,482,274	6,482,274
Total Present Rate Revenues	\$621,473,088	\$34,024,792	\$655,497,880

Pro Forma PWAC/PSTAC Proposed Revenue Increase per Current Filing

PWAC	(\$1,427,659)		(\$1,427,659)
PSTAC Adelphia Sewer		(103,246)	(103,246)
PSTAC Lakewood Sewer		23,883	23,883
PSTAC Ocean City Sewer		266,316	266,316
Total Pro Forma PWAC/PSTAC Revenue Increase	(\$1,427,659)	\$218,062	(\$1,211,307)

Pro Forma PWAC/PSTAC Proposed Rev. Incr. % over current Total Present Rev.

PWAC	-0.22%		-0.22%
PSTAC Adelphia Sewer		-4.40%	-4.40%
PSTAC Lakewood Sewer		0.21%	0.21%
PSTAC Ocean City Sewer		2.14%	2.14%
Total Pro Forma PWAC/PSTAC Revenue Increase %	-0.22%	0.83%	-0.18%

Notes: (1) Present Rates on an Uncompressed basis per Schedule DMD-3 - Per Settlement, WR13111038. Usage per DMD-3, lines 22 and 30.

(2) Present Rates on an Uncompressed basis per Schedule DMD-11 - Per Settlement, WR13111038. Usage per DMD-11.

(3) Approx. \$58 mil. of Base Revenues are not subject to PWAC (Fire Service, Uninter. Manasquan Serv., and Other Operating Revenues)

4-customer DMD-16, Fiscal 2016/16
 899 Backshots, MW9411278

New Jersey American Water Company
 PWDAC-E PSTAC Rate Filing - BEI Comparisons
 Sample Customer Usage Rates in 2014 gallons
 Proposed Rates with Comp/Instal Rates

Present Rates		Proposed Rates		Proposed Annual	
Rate	Usage	Rate	Usage	Monthly	Annual
10.00	10,000	10.00	10,000	100.00	1,200.00
11.00	11,000	11.00	11,000	110.00	1,320.00
12.00	12,000	12.00	12,000	120.00	1,440.00
13.00	13,000	13.00	13,000	130.00	1,560.00
14.00	14,000	14.00	14,000	140.00	1,680.00
15.00	15,000	15.00	15,000	150.00	1,800.00
16.00	16,000	16.00	16,000	160.00	1,920.00
17.00	17,000	17.00	17,000	170.00	2,040.00
18.00	18,000	18.00	18,000	180.00	2,160.00
19.00	19,000	19.00	19,000	190.00	2,280.00
20.00	20,000	20.00	20,000	200.00	2,400.00

Present Rates		Proposed Rates		Proposed Annual	
Rate	Usage	Rate	Usage	Monthly	Annual
21.00	21,000	21.00	21,000	210.00	2,520.00
22.00	22,000	22.00	22,000	220.00	2,640.00
23.00	23,000	23.00	23,000	230.00	2,760.00
24.00	24,000	24.00	24,000	240.00	2,880.00
25.00	25,000	25.00	25,000	250.00	3,000.00
26.00	26,000	26.00	26,000	260.00	3,120.00
27.00	27,000	27.00	27,000	270.00	3,240.00
28.00	28,000	28.00	28,000	280.00	3,360.00
29.00	29,000	29.00	29,000	290.00	3,480.00
30.00	30,000	30.00	30,000	300.00	3,600.00

Present Rates		Proposed Rates		Proposed Annual	
Rate	Usage	Rate	Usage	Monthly	Annual
31.00	31,000	31.00	31,000	310.00	3,720.00
32.00	32,000	32.00	32,000	320.00	3,840.00
33.00	33,000	33.00	33,000	330.00	3,960.00
34.00	34,000	34.00	34,000	340.00	4,080.00
35.00	35,000	35.00	35,000	350.00	4,200.00
36.00	36,000	36.00	36,000	360.00	4,320.00
37.00	37,000	37.00	37,000	370.00	4,440.00
38.00	38,000	38.00	38,000	380.00	4,560.00
39.00	39,000	39.00	39,000	390.00	4,680.00
40.00	40,000	40.00	40,000	400.00	4,800.00

Present Rates		Proposed Rates		Proposed Annual	
Rate	Usage	Rate	Usage	Monthly	Annual
41.00	41,000	41.00	41,000	410.00	4,920.00
42.00	42,000	42.00	42,000	420.00	5,040.00
43.00	43,000	43.00	43,000	430.00	5,160.00
44.00	44,000	44.00	44,000	440.00	5,280.00
45.00	45,000	45.00	45,000	450.00	5,400.00
46.00	46,000	46.00	46,000	460.00	5,520.00
47.00	47,000	47.00	47,000	470.00	5,640.00
48.00	48,000	48.00	48,000	480.00	5,760.00
49.00	49,000	49.00	49,000	490.00	5,880.00
50.00	50,000	50.00	50,000	500.00	6,000.00

Present Rates		Proposed Rates		Proposed Annual	
Rate	Usage	Rate	Usage	Monthly	Annual
51.00	51,000	51.00	51,000	510.00	6,120.00
52.00	52,000	52.00	52,000	520.00	6,240.00
53.00	53,000	53.00	53,000	530.00	6,360.00
54.00	54,000	54.00	54,000	540.00	6,480.00
55.00	55,000	55.00	55,000	550.00	6,600.00
56.00	56,000	56.00	56,000	560.00	6,720.00
57.00	57,000	57.00	57,000	570.00	6,840.00
58.00	58,000	58.00	58,000	580.00	6,960.00
59.00	59,000	59.00	59,000	590.00	7,080.00
60.00	60,000	60.00	60,000	600.00	7,200.00

Present Rates		Proposed Rates		Proposed Annual	
Rate	Usage	Rate	Usage	Monthly	Annual
61.00	61,000	61.00	61,000	610.00	7,320.00
62.00	62,000	62.00	62,000	620.00	7,440.00
63.00	63,000	63.00	63,000	630.00	7,560.00
64.00	64,000	64.00	64,000	640.00	7,680.00
65.00	65,000	65.00	65,000	650.00	7,800.00
66.00	66,000	66.00	66,000	660.00	7,920.00
67.00	67,000	67.00	67,000	670.00	8,040.00
68.00	68,000	68.00	68,000	680.00	8,160.00
69.00	69,000	69.00	69,000	690.00	8,280.00
70.00	70,000	70.00	70,000	700.00	8,400.00

Present Rates		Proposed Rates		Proposed Annual	
Rate	Usage	Rate	Usage	Monthly	Annual
71.00	71,000	71.00	71,000	710.00	8,520.00
72.00	72,000	72.00	72,000	720.00	8,640.00
73.00	73,000	73.00	73,000	730.00	8,760.00
74.00	74,000	74.00	74,000	740.00	8,880.00
75.00	75,000	75.00	75,000	750.00	9,000.00
76.00	76,000	76.00	76,000	760.00	9,120.00
77.00	77,000	77.00	77,000	770.00	9,240.00
78.00	78,000	78.00	78,000	780.00	9,360.00
79.00	79,000	79.00	79,000	790.00	9,480.00
80.00	80,000	80.00	80,000	800.00	9,600.00

Present Rates		Proposed Rates		Proposed Annual	
Rate	Usage	Rate	Usage	Monthly	Annual
81.00	81,000	81.00	81,000	810.00	9,720.00
82.00	82,000	82.00	82,000	820.00	9,840.00
83.00	83,000	83.00	83,000	830.00	9,960.00
84.00	84,000	84.00	84,000	840.00	10,080.00
85.00	85,000	85.00	85,000	850.00	10,200.00
86.00	86,000	86.00	86,000	860.00	10,320.00
87.00	87,000	87.00	87,000	870.00	10,440.00
88.00	88,000	88.00	88,000	880.00	10,560.00
89.00	89,000	89.00	89,000	890.00	10,680.00
90.00	90,000	90.00	90,000	900.00	10,800.00

Present Rates		Proposed Rates		Proposed Annual	
Rate	Usage	Rate	Usage	Monthly	Annual
91.00	91,000	91.00	91,000	910.00	10,920.00
92.00	92,000	92.00	92,000	920.00	11,040.00
93.00	93,000	93.00	93,000	930.00	11,160.00
94.00	94,000	94.00	94,000	940.00	11,280.00
95.00	95,000	95.00	95,000	950.00	11,400.00
96.00	96,000	96.00	96,000	960.00	11,520.00
97.00	97,000	97.00	97,000	970.00	11,640.00
98.00	98,000	98.00	98,000	980.00	11,760.00
99.00	99,000	99.00	99,000	990.00	11,880.00
100.00	100,000	100.00	100,000	1,000.00	12,000.00

Notes: (1) Applicable to each service customer type.
 (2) Applicable to gas service customer type.

Present Rates		Proposed Rates		Proposed Annual	
Rate	Usage	Rate	Usage	Monthly	Annual
101.00	101,000	101.00	101,000	1,010.00	12,120.00
102.00	102,000	102.00	102,000	1,020.00	12,240.00
103.00	103,000	103.00	103,000	1,030.00	12,360.00
104.00	104,000	104.00	104,000	1,040.00	12,480.00
105.00	105,000	105.00	105,000	1,050.00	12,600.00
106.00	106,000	106.00	106,000	1,060.00	12,720.00
107.00	107,000	107.00	107,000	1,070.00	12,840.00
108.00	108,000	108.00	108,000	1,080.00	12,960.00
109.00	109,000	109.00	109,000	1,090.00	13,080.00
110.00	110,000	110.00	110,000	1,100.00	13,200.00

Present Rates		Proposed Rates		Proposed Annual	
Rate	Usage	Rate	Usage	Monthly	Annual
111.00	111,000	111.00	111,000	1,110.00	13,320.00
112.00	112,000	112.00	112,000	1,120.00	13,440.00
113.00	113,000	113.00	113,000	1,130.00	13,560.00
114.00	114,000	114.00	114,000	1,140.00	13,680.00
115.00	115,000	115.00	115,000	1,150.00	13,800.00
116.00	116,000	116.00	116,000	1,160.00	13,920.00
117.00	117,000	117.00	117,000	1,170.00	14,040.00
118.00	118,000	118.00	118,000	1,180.00	14,160.00
119.00	119,000	119.00	119,000	1,190.00	14,280.00
120.00	120,000	120.00	120,000	1,200.00	14,400.00

Present Rates		Proposed Rates		Proposed Annual	
Rate	Usage	Rate	Usage	Monthly	Annual
121.00	121,000	121.00	121,000	1,210.00	14,520.00
122.00	122,000	122.00	122,000	1,220.00	14,640.00
123.00	123,000	123.00	123,000	1,230.00	14,760.00
124.00	124,000	124.00	124,000	1,240.00	14,880.00
125.00	125,000	125.00	125,000	1,250.00	15,000.00
126.00	126,000	126.00	126,000	1,260.00	15,120.00
127.00	127,000	127.00	127,000	1,270.00	15,240.00
128.00	128,000	128.00	128,000	1,280.00	15,360.00
129.00	129,000	129.00	129,000	1,290.00	15,480.00
130.00	130,000	130.00	130,000	1,300.00	15,600.00

(1) Example PWDAC rate of \$0.3750 per 1000 gallons.

New Jersey American Water Company
Statement of Pro Forma Purchased Water Expense
PWAC Year 4/1/2015-3/31/2015

New Jersey American Water Company
BPU Docket No. WR14111278
Witness Responsible: Robert R. Schaefer

Schedule RRS-1, Final 2/26/15
PWAC Filing Year: 4/1/2014 - 3/31/2015
Page 1

Purchased Water Vendor	Actual PWAC Year 4/1/14-3/31/15 Purchase (MGY)	Annual Contract Minimum (MGY)	Pro Forma Purchase (MGY)	Pro Forma Rate per MG	Pro Forma PWAC Year 4/1/2015-3/31/2015 Expense
(1)	(2)	(3)	(4)	(5)	(6)
Piscataway Valley Water Commission (PVWC): PVWC - power component	\$,894,459	3,777,750	4,165,190 (1b)	\$2,413.01 (1)	\$10,028,515 \$982,881
Monte County Municipal Utilities Authority	235.632	220,000	235.632	\$2,693.00 (2)	\$699,399
Montclair Water Bureau	88.845		88,708 (4a)	\$1,737.97 (4)	\$148,954
New Jersey Water Supply Authority (NJWSA) Manasquan:	4,582,500				
Contract @ Initial rate		2,943,725	2,943,725	\$1,047.03 (5)	\$3,082,169
Contract @ Delayed rate		1,618,775	1,618,775	\$1,185.27 (5a)	\$1,919,853
Power component					\$228,353
Overtime service	0,000		1,680		\$2,287
Ration:					
Contract	48,489.88	48,209.00	48,209.00	\$261.25 (6)	\$11,910,011
Legislative grant	1,082.15	1,082.15	1,082.15	\$0.00	\$0
Overtime service	0.00		329.98		\$40,453
Retrospective Debt Service					\$200,301
Credit against Retrospective Debt Serv. Pymts					(\$197,932)
Atlantic City Municipal Utilities Authority: Base rate	180,000	180,000	180,000	\$3,787.38 (7)	\$979,129
Excess rate	371,096	372,622	372,622	\$3,342.25 (7)	\$1,248,053
Township of Maple Shade	6,700		6,700		\$81,251
Borough of Easdale Heights	82,708		82,708	\$2,750.00 (8)	\$175,200
Shorelands Water Company: Union Beach connections: Sale for Resale rate	189,974	182,600	177,977	\$2,198.00 (10)	\$390,974
Backup bulk sales rate			4,823	\$4,007.00 (10)	\$16,824
Fixed chg: 2 - 4" meter (per mo.)				\$237.16 (10)	\$5,892
Fixed chg: 2 - 6" meter (per mo.)				\$474.39 (10)	\$11,385
Union Beach Deficiency bill					\$73,601
Holmdel connection: Backup bulk sales rate	9,378		6,884 (10a)	\$4,007.00 (10)	\$38,283
Fixed chg: 1 - 6" meter (per mo)				\$474.39 (10)	\$5,893
Marlboro Township MUA	92,497	91,280	97,536 (12a)	\$4,188.24 (12)	\$408,504
City of Wildwood	35,233	35,000	38,810 (1a)	\$2,610.00 (12)	\$99,690
East Windsor Municipal Utilities Authority	1,262		1,262		\$2,734
			<u>67,892,288</u>		<u>\$31,649,737</u>

Notes (1) Pro Forma Rate - 9 months of rate effective 4/1/14 - \$2,342.12 - and 3 months increase of 4% effective 1/1/15 per letter dated 1/8/15.
 (1a) 3 year average of usage for the 12 months ended 3/31/13, 3/31/14 and 3/31/15. See Note 1, DMO-1a for explanation for year ended 3/31/15.
 (1b) 3 year average of usage for the 12 months ended 3/31/13, 3/31/14 and 3/31/15. See Note 1, DMO-1a for explanation for year ended 3/31/15.
 (2) Actual Power costs for PWAC Yr. 4/1/14-3/31/15 per Sch. DMO-1.
 (3) Pro Forma rate effective 1/1/16 for NJ American of 111% times the 2015 base rate of \$2,268 (\$2,514) for 9 months and 9 months of rate effective 1/1/16, estimating 3% increase to base rate (\$2,334) times 111% (\$2,693).
 (4) Present rates - Effective 1/1/07.
 (4a) 3 year average for the 12 months ended 3/31/13, 3/31/14, and 3/31/15. See Note 1, DMO-1a for explanation for year ended 3/31/15.
 (5) Pro Forma rate - 3 months of actual rate eff. 7/1/14-9/30/14 \$1,018.80 per mg and 9 mos. of proposed 7/1/15-9/30/15 rate, \$1,067.40 per mg.
 (5a) Pro Forma rate - 3 months of actual rate eff. 7/1/14-9/30/14 \$1,108.49 per mg and 9 mos. of proposed 7/1/15-9/30/15 rate, \$1,190.85 per mg.
 (6) Actual Power costs for PWAC Yr. 4/1/14-3/31/15 per Sch. DMO-1.
 (6a) Estimated overtime service charge based upon average of 18 months ended 3/31/13, 3/31/14 and 3/31/15 actual monthly and annual overtime charges. See Note 2, DMO-1 for explanation for year ended 3/31/15.
 (7) Pro Forma rate - 3 months of actual rate eff. 3/31/14-6/30/14 \$3,249 per mg and 9 months of NJWSA's proposed 7/1/15-9/30/15 rate \$3,833 per mg.
 (8) Estimated overtime service charge based upon 3 year average for the periods ended 3/31/13, 3/31/14 and 3/31/15 actual overtime charges. See Note 2, DMO-1 for explanation for year ended 3/31/15.
 (9) Actual annual retrospective debt service charge effective January 2008.
 (9a) Estimated prior period credits against the debt service charge is based upon a 3 year average of these credits for the 12 months ended 3/2010, 3/2014 and 3/2015.
 (10) Rates effective as of 1/1/15 per attached information from ACWUA dated 1/2/15.
 (10a) Actual costs PWAC Year 4/1/14-3/31/15.
 (11) Present rates - Effective 1/1/07.
 (12) Present rates - Effective 1/1/07, including PWAC rates effective 7/1/12.
 (12a) 3 year average of usage for the 12 months ended 3/31/13, 3/31/14 and 3/31/15. See Note 1, DMO-1a for explanation for year ended 3/31/15.
 (13) Estimated Union Beach deficiency bill based upon a 3-year average of the dollars associated with the deficiency in PWAC Years ended 3/31/13, 3/31/14 and 3/31/15.
 (14) Pro Forma rate reflects the average of the 18 months projected rates during PWAC Yr. 4/1/14 - 3/31/15. The rate incorporates MWG and MTRUA components. The MWG rate component was based on the current actual rate of 7/25/2014 of \$8,378.01 per mg.
 The MTRUA component was prorated based on 11 months of the current contractual rate of \$1,806.05 and 1 month of a contractual 2% rate inc. effective 2/1/15 of \$1,334.21. The MTRUA rate increase is effective on the anniversary of the Meter Service Effective Date of 3/1/15.
 (15a) 3 year average of usage for the 12 months ended 3/31/13, 3/31/14 and 3/31/15. See Note 1, DMO-1a for explanation for year ended 3/31/15.
 (16) Present rates - Effective 1/1/2012.
 (17) Actual costs for PWAC year 4/1/14-3/31/15.