



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

WATER

IN THE MATTER OF THE PETITION OF NEW )  
JERSEY-AMERICAN WATER COMPANY, INC. FOR )  
APPROVAL OF INCREASED TARIFF RATES AND )  
CHARGES FOR WATER AND SEWER SERVICE, )  
CHANGE IN DEPRECIATION RATES AND OTHER )  
TARIFF MODIFICIATIONS )  
)  
) ORDER FURTHER  
) SUSPENDING INCREASES,  
) CHANGES OR  
) ALTERATIONS IN RATES  
) FOR SERVICE  
)  
) DOCKET NO. WR15010035

**Parties of Record:**

**Ira G. Megdal, 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  
**James H. Laskey, Esq.**, Intervenor, on behalf of the Manasquan Customer Group  
**Stuart A. Platt, Esq.**, Intervenor, on behalf of the Township of Haddon  
**Jay L. Kooper, Esq.**, Intervenor, on behalf of Middlesex Water Company  
**Stephen B. Genzer, Esq.**, Intervenor, on behalf of Aqua New Jersey  
**Anthony R. Francioso, Esq.**, Intervenor, on behalf of the Mount Laurel Township Municipal Utilities Authority (MLTMUA)  
**Bradford M. Stern, Esq.**, Intervenor, on behalf of Phillips 66 Company, Cogen Technologies Linden Venture L.P., Johanna Foods, Inc., Princeton University and Rutgers, The State University of New Jersey

BY THE BOARD:<sup>1</sup>

On January 9, 2015, New Jersey-American Water Company ("Company" or "Petitioner"), a public utility of the State of New Jersey subject to the jurisdiction of the Board of Public Utilities ("Board") filed a Petition pursuant to N.J.S.A. 48:2-18, N.J.S.A. 48:2-21, N.J.S.A. 48:2-21.1,<sup>2</sup> N.J.A.C. 14:1-5.7 and N.J.A.C. 14:1-5.12, seeking to increase rates for water and wastewater service. The combined proposed rates would increase the Company's annual revenues by \$66.2 million or approximately 9.96% over pro-forma present rate revenues. Petitioner serves

<sup>1</sup> 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.

<sup>2</sup> The Board notes that although the petition cites N.J.S.A. 48:2-21.1, the petition does not include a request for an adjustment of rates during the pendency of the hearing.

approximately 612,791 water and fire service customers and approximately 35,987 sewer service customers in all or part of 189 municipalities in 18 of the State's 21 counties. The increase in rates was proposed to become effective on February 8, 2015.<sup>3</sup> Petitioner does not seek interim rate relief pending final determination on the Petition.

According to the Petition, the rate increase is required to: (a) establish an income level that will permit the Company to finance essential and continuing plant investment; (b) permit the Company to earn a fair and adequate rate of return on its net investment in used and useful property; (c) establish rates which will be sufficient to enable the Company, under efficient and economical operation, to maintain and support its financial integrity and to raise such funds as may be necessary for the proper discharge of its public duties; (d) provide earnings sufficient to attract investors and provide sufficient cash flow to fund the Company's operations; and (e) enable the Company to continue to provide safe, adequate and proper service to its customers.

On January 22, 2015, the Board transmitted this matter to the Office of Administrative Law ("OAL") for hearings and on February 11, 2015, the Board issued an Order suspending the Company's proposed rate increase until June 8, 2015.<sup>4</sup>

In light of the fact that this matter is still pending before the OAL, and that the proposed revisions will increase existing rates and change or alter existing classifications in Petitioner's tariff, it is **HEREBY ORDERED** that:

- (1) Pursuant to N.J.S.A. 48:2-21, the proposed revisions be, and are further suspended until October 8, 2015, unless the Board prior to that date, makes a determination disposing of the petition;
- (2) Petitioner shall, at least ten (10) days prior to the date set for hearing on the petition by the OAL, file with this Board and with the OAL (33 Washington Street, Newark N.J. 07102) proof of compliance with the Notice provisions of N.J.S.A. 48:2-32.2 and N.J.A.C. 14:1-5.12(b) and (c), which Notice shall include a statement that any relief found by the Board to be just and reasonable may be allocated by the Board to any class or classes of customers on any rate or schedule as the Board may determine; and
- (3) Petitioner shall serve copies of this Order upon the OAL, Division of Rate Counsel (140 East Front Street, 4<sup>th</sup> Floor, Post Office Box 003, Trenton, NJ 08625-0003), the clerk of each affected municipality, the clerk of the Boards of Chosen Freeholders of each affected county, and where appropriate, the executive officer of each affected county within its service area. Service of the petition, notice of hearings and this Order may be made simultaneously. Proof of service of this Order shall be filed with the Board within fifteen (15) days of the date of this Order.

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<sup>3</sup> On January 14, 2015, the Company filed a letter with the Board stating that it will not implement rates on an interim basis prior to March 18, 2015.

<sup>4</sup> On May 11, 2015 the Company filed a letter with the Board stating that it will not implement rates prior to the effective date of the Board's Further Suspension Order resulting from the June 17, 2015 Board agenda meeting.

This Order shall be effective on June 26, 2015.

DATED: June 18, 2015

BOARD OF PUBLIC UTILITIES  
BY:

Joseph L. Fiordaliso  
JOSEPH L. FIORDALISO  
COMMISSIONER

Mary-Anna Holden  
MARY-ANNA HOLDEN  
COMMISSIONER

Dianne Solomon  
DIANNE SOLOMON  
COMMISSIONER

ATTEST: Irene Kim Asbury  
IRENE KIM ASBURY  
SECRETARY

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

Irene Kim Asbury

IN THE MATTER OF THE PETITION OF NEW JERSEY-AMERICAN WATER COMPANY, INC.  
FOR APPROVAL OF INCREASED TARIFF RATES AND CHARGES FOR WATER AND  
SEWER SERVICE, CHANGE IN DEPRECIATION RATES AND OTHER TARIFF  
MODIFICIATIONS - BPU Docket No. WR15010035

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January 14, 2015

**VIA EMAIL AND REGULAR MAIL**

Kenneth Sheehan, Acting Secretary  
New Jersey Board of Public Utilities  
44 South Clinton Avenue, 9<sup>th</sup> Floor  
PO Box 350  
Trenton, New Jersey 08625-0350

**Re: IN THE MATTER OF THE PETITION OF NEW JERSEY-AMERICAN WATER  
COMPANY, INC. FOR APPROVAL OF INCREASED TARIFF RATES AND  
CHARGES FOR WATER AND SEWER SERVICE, CHANGE IN  
DEPRECIATION RATES AND OTHER TARIFF MODIFICATIONS  
BPU Docket No. WR15010035**

Dear Acting Secretary Sheehan:

New Jersey American Water Company ("NJAWC" or the "Company") hereby updates the information contained within its rate case petition as follows. The rates-effective date set forth within Paragraph 28 of the Company's petition is revised from February 8, 2015 to March 18, 2015. As set forth within the Company's petition, the effective date of the proposed tariff included within the Company's rate case filing as Exhibit P-1 is similarly revised from February 8, 2015 to March 18, 2015. This revised date of March 18, 2015 is more than thirty (30) days from NJAWC's January 9, 2015 rate case filing date. However although we are revising the effective date of February 8 to March 18, 2015, the four month suspension period will still run from February 8, 2015 through June 8, 2015.

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

Very truly yours,

*/s/ Robert J. Brabston*

Robert J. Brabston

RJB:dlc

cc: Maria Moran, Director, Division of Water and Wastewater  
Matthew J. Koczur, Division of Water and Wastewater  
Stefanie A. Brand, Director, Division of Rate Counsel  
Debra F. Robinson, Managing Attorney, Division of Rate Counsel  
Alex Moreau, Deputy Attorney General  
Ira Megdal, Esq.  
Frank Simpson, Director of Rates and Regulation, NJAWC



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May 11, 2015

**VIA EMAIL AND REGULAR MAIL**

Kenneth Sheehan, Acting Secretary  
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**Re: IN THE MATTER OF THE PETITION OF NEW JERSEY-AMERICAN WATER  
COMPANY, INC. FOR APPROVAL OF INCREASED TARIFF RATES AND  
CHARGES FOR WATER AND SEWER SERVICE, CHANGE IN  
DEPRECIATION RATES AND OTHER TARIFF MODIFICATIONS  
BPU Docket No. WR15010035**

Dear Acting Secretary Sheehan:

New Jersey American Water Company ("NJAWC" or the "Company") hereby updates the information contained within its rate case petition as follows. By correspondence dated January 14, 2015, the Company revised the rates-effective date set forth within Paragraph 28 of the Company's petition from February 8, 2015 to March 18, 2015. This will confirm that NJAWC will not implement rates prior to the effective date of the Board's further suspension order expected to result from the June 17, 2015 Board agenda meeting.

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

Very truly yours,

*/s/ Robert J. Brabston*

Robert J. Brabston

RJB:dlc

cc: Service list (via email)