



Agenda Date: 07/29/16
Agenda Items: 5D

STATE OF NEW JERSEY
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, New Jersey 08625-0350
www.nj.gov/bpu/

WATER

IN THE MATTER OF THE PETITION OF AQUA NEW JERSEY, INC. FOR APPROVAL OF AN INCREASE IN RATES FOR WATER SERVICE AND OTHER TARIFF CHANGES)	ORDER ADOPTING INITIAL DECISION/STIPULATION OF SETTLEMENT
)	
AND)	BPU DOCKET NO. WR16010089
)	OAL DOCKET NO. PUC 02353-2016S
)	
IN THE MATTER OF THE PETITION OF AQUA NEW JERSEY, INC. DISTRIBUTION SYSTEM IMPROVEMENT CHARGE FOUNDATIONAL FILING 2016)	ORDER APPROVIING STIPULATION OF SETTLEMENT
)	
)	BPU DOCKET NO. WR16010090

Parties of Record:

Stephen B. Genzer, Esq., Saul Ewing, LLP, on behalf of Aqua New Jersey, Inc.
Stefanie A. Brand, Esq., Director, New Jersey Division of Rate Counsel

BY THE BOARD:

BACKGROUND/PROCEDURAL HISTORY

On January 29, 2016, pursuant to N.J.S.A. 48:2-21 and N.J.A.C. 14:1-5.12, N.J.A.C. 14:9-10.1, and other related statutes and regulations, Aqua New Jersey, Inc. ("Aqua," "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 seeking to increase and revise its rates and charges for water service amounting to approximately \$2,535,564 or 6.69%. The increase in rates was proposed to become effective on March 4, 2016. Aqua services approximately 51,000 water customers located in several municipalities in Warren, Hunterdon, Mercer, Burlington, Monmouth, Camden, Ocean, Sussex, Gloucester, and Atlantic Counties in New Jersey.¹

¹ The Company is engaged in the wastewater collection, treatment, and transmission business and currently serves a total of approximately 5,700 wastewater customers via several independent, stand-alone wastewater systems. Rates for wastewater service are not the subject of this petition.

In addition, the Company filed a Distribution System Improvement Charge ("DSIC") Foundational Filing which has been retained by the Board and separately docketed as BPU Docket No. WR16010090.

According to the petition, Aqua sought the increase to maintain a satisfactory credit position; preserve its financial integrity; permit proper maintenance and improvement of the utility plant required to furnish safe, adequate and proper service to its customers; encourage good effective management; provide incentives for efficiency; prevent confiscation or diminution of its property; and to earn a reasonable return upon the fair value of its property used and useful in the public service.

By this Order, the Board considers the Initial Decision recommending adoption of the Stipulation of Settlement ("Stipulation" or "Rate Case Stipulation") executed by the Company, the Division of Rate Counsel ("Rate Counsel") and Board Staff (collectively "the Parties"), agreeing to an overall increase in revenues in the amount of \$200,000 representing a 0.51% increase above pro forma present rate revenues of \$38,842,098. This increase will result in total Company revenues of \$39,042,098.

By this Order, the Board is also considering the adoption of the Stipulation of Settlement for the Company's DSIC Foundational Filing ("DSIC Stipulation").² The Parties recommend that the Board approve the Company's proposed Foundational Filing to permit the implementation of a DSIC pursuant to N.J.A.C. 14:9-10.1 et seq. and agree that the Company's DSIC filing will reflect DSIC-eligible projects commenced and placed into service after the effective date of the Order of Approval in BPU Docket No. WR16010089, thus closing out the prior Foundational Filing in BPU Docket No. WR14010019. After the effective date of this Order the prior Foundational Filing is closed and the DSIC charge is rolled into base rates and reset to zero. The Parties agree that the Company's maximum annual DSIC revenue recovery requirement amount is \$1,952,105, and its base spending requirement is \$3,320,613 as calculated in the DSIC Foundational Filing.

On February 9, 2016, the Board transmitted the rate case to the Office of Administrative Law as a contested case and it was assigned to Administrative Law Judge ("ALJ") Elia A. Pelios. A telephonic prehearing conference was held on March 17, 2016, with ALJ Pelios during which among other things, the ALJ directed that a public hearing be held regarding the rate case.

On March 4, 2016, the Board issued an Order suspending the Company's proposed rate increase until July 4, 2016. On June 29, 2016, the Board issued an Order further suspending the Company's proposed rate increase until November 4, 2016.

On March 15, 2016, the Company submitted a letter in which it waived the 90-day DSIC Foundational Filing review period, given the difference in timing, and clarified that it was requesting that the new DSIC Foundational Filing be approved and effective simultaneously with the approval of new base rates set in BPU Docket No. WR16010089.

After proper notice, a public hearing was held for the rate case and the DSIC Foundational Filing in Hamilton, New Jersey on April 26, 2016. No members of the public were in attendance.

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

Subsequent to the public hearing, the Parties engaged in settlement negotiations and on July 7, 2016, the Parties entered into the Rate Case Stipulation and the DSIC Stipulation.

On July 14, 2016 ALJ Pelios issued his Initial Decision on the rate case recommending adoption of the Stipulation executed by the Parties, finding that they had voluntarily agreed to the Stipulation and that the Stipulation fully disposes of all the issues and is consistent with the law.

DISCUSSIONS AND FINDINGS

Among the provisions of the Stipulation, the Parties recommend a rate base of \$133,000,000, with a test year ending April 30, 2016, adjusted for all known and measurable changes, and that the Company be authorized a return on equity of 9.75% with a cost of debt rate of 4.94% for an overall rate of return of 7.48%. The use of a 7.48% overall rate of return results in an overall revenue requirement of \$39,042,098. The Parties recognize that the revenue increase of \$200,000 or approximately 0.51% above present rate test year operating revenues of \$38,842,098 is an appropriate result at this time and is necessary to ensure that the Company will continue to provide safe, adequate and proper water service to its customers. The Parties further acknowledge that the stipulated revenue requirement increase of \$200,000 includes a consolidated income tax adjustment.

The Parties agree that the attached tariff pages (included as Exhibit A), implementing the terms of the Stipulation, and the Proof of Revenues for the Company (attached as Exhibit B) should be adopted by the Board.

The Parties recommend that the Board approve the accounting and ratemaking treatment of the acquisition adjustments associated with the Company's purchases of the Seaview Harbor Water Company, the Spartan Village Water and Wastewater Systems and the Summit Lake Water System.

The Parties further acknowledge that the Company has agreed going forward to utilize the Federal Energy Regulatory Commission method of accounting for Allowance for Funds Used During Construction ("AFUDC"). This method calculates the AFUDC rate each month by first calculating the Company's use of short-term debt to AFUDC-eligible Construction Work in Progress ("CWIP") with any AFUDC-eligible CWIP balance in excess of short-term debt assigned the Board approved weighted average cost of capital.

Among the provisions of the DSIC Stipulation, the Parties recommend that the Board approve the Company's proposed Foundational Filing to permit the implementation of a DSIC pursuant to N.J.A.C. 14:9-10.1 et seq. The Parties agree that the Company's DSIC filing will reflect DSIC-eligible projects, as set forth in updated Foundational Filing Appendix 1-4, by letter dated June 30, 2016, commenced and placed into service after the effective date of this Order. Upon the effective date of this Order, the prior Foundational Filing is closed and the DSIC charge is rolled into base rates and reset to zero. The Parties agree that the Company's maximum annual DSIC revenue recovery requirement amount is \$1,952,105 as determined in BPU Docket No. WR16010089 and its base spending requirement is \$3,320,613 as calculated in the DSIC Foundational Filing.

In addition, Board Staff recommends that the Board order the Company to provide a more current cost of service study upon filing its next base rate case proceeding.

Pursuant to the Stipulation, the water service customer revenue rate impacts are as follows:

- The average bill for an Aqua New Jersey general metered residential customer with a 5/8" meter using 5,000 gallons of water a month (i.e. 60,000 gallons per year) will increase by \$0.10 per month, from \$43.25 (inclusive of DSIC) to \$43.35 (exclusive of DSIC) (\$519.00 per year to \$520.20 per year) or an increase of approximately 0.23%.
- The average bill for a Walkill general metered residential customer with a 5/8" meter using 5,000 gallons of water per month (i.e. 60,000 gallons per year) will increase \$2.95 per month, from \$28.43 (inclusive of DSIC) to \$31.38 (exclusive of DSIC) (\$341.16 per year to \$376.56 per year) or an increase of approximately 10.38%.
- The average bills for a Tranquility Springs metered residential customer with a 5/8" meter using 5,000 gallons of water per month (i.e. 60,000 gallons per year) will decrease by (\$2.67) per month, from \$49.93 (inclusive of DSIC) to \$47.26 (exclusive of DSIC) (\$599.16 per year to \$567.12 per year) or a decrease of approximately (5.35%).
- The average bills for a Seaview metered residential customer with a 5/8" meter using 5,000 gallons of water per month (i.e. 60,000 gallons per year) will decrease by (\$8.87) per month, from \$86.88 (inclusive of DSIC) to \$78.01 (exclusive of DSIC) (\$1,042.56 per year to \$936.12 per year) or a decrease of approximately (10.21%).

The Board is mindful of the impact any rate increase has on its customers. However, having reviewed the record in this matter, including ALJ Pelios' Initial Decision and the Stipulation, the Board **FINDS** that the Parties have voluntarily agreed to the Stipulation, and that the Stipulation fully disposes of all issues in this proceeding and is consistent with the law. In reaching this decision, the Board must balance the needs of the ratepayer to receive safe, adequate and proper service at reasonable rates, while allowing the utility the opportunity to earn a fair rate of return. See FPC v. Hope Natural Gas Co., 320 U.S. 591, 64 S. Ct. 281; 88 L. Ed. 333 (1944); N.J.S.A. 48:2-21 and N.J.S.A. 48:3-1. Therefore, the Board **FINDS** the Initial Decision, which adopts the Stipulation to be reasonable, in the public interest, and in accordance with the law. Therefore, the Board **HEREBY ADOPTS** the Initial Decision and the Stipulation, attached hereto, including all attachments and schedules, as its own, incorporating by reference the terms and conditions of the Stipulation, as if they were fully set forth at length herein, subject to the following:

- a. The tariff sheets attached to the Stipulation containing rates and charges conforming to the Stipulation and designed to produce the additional revenues to which the Parties have stipulated herein are **HEREBY ACCEPTED**.
- b. The stipulated increase and the tariff design allocations for each customer classification are **HEREBY ACCEPTED**.
- c. The Board **HEREBY APPROVES** the accounting and ratemaking treatment of the acquisition adjustments associated with the Company's purchases of the Seaview

Harbor Water Company, the Spartan Village Water and Wastewater Systems and the Summit Lake Water System.

- d. The Board **HEREBY ORDERS** the Company to provide a more current cost of service study upon filing its next base rate case proceeding.
- e. As of the August 1, 2016 rate effective date, the Company's August 30, 2014 DSIC Foundational Filing is hereby concluded and no additional DSIC semi-annual filings or DSIC rates may be made, implemented, or recovered pursuant thereto.

Based upon the forgoing, the Board **HEREBY APPROVES** an overall increase in revenues in the amount of \$200,000 representing a 0.51% increase over current operating revenues, which results in total Company revenues of \$39,042,098.

Based upon the information presented in the rate case petition, BPU Docket No. WR16010089, the Board **HEREBY FINDS** that the Company's 2016 overall revenue for DSIC purposes is \$39,042,098. The Board **FURTHER FINDS** that the Company's maximum amount of DSIC revenues that may be collected is \$1,952,105, or no more than 5% of the Company's total water revenues established in this rate case, with an annual base spending requirement of \$3,320,613. The Company will implement the DSIC surcharge if, and when, it achieves specific levels of infrastructure investment and completes and places the facilities into service as required by N.J.A.C. 14:9-10.1 et seq. As an example, an average residential customer with a 5/8 inch meter may be subjected to a maximum monthly DSIC surcharge of \$2.55. These proposed rates are estimates and may change, however, the maximum annual DSIC revenue requirement, \$1,952,105, cannot be exceeded.

Based upon the information presented in the Foundational Filing, as amended, and agreed to by the Parties in the DSIC Stipulation, the Board **FURTHER APPROVES** the DSIC Stipulation and **ORDERS** that the Company may implement a Distribution System Improvement Charge, subject to this Order, Petitioner's ongoing compliance with the DSIC regulations, as well as conformity to the base spending requirements and semi-annual true-up submissions.

Regarding the Foundational Filing approved by the Board through this Order, the Board **HEREBY ORDERS** that in accordance with N.J.A.C. 14:9-10.5(b), Petitioner shall make DSIC filings on a semi-annual basis, commencing approximately six months after the effective date of the Foundational Filing. Petitioner must submit its semi-annual DSIC filing within 15 days of the end of the DSIC recovery period. DSIC filings shall be reviewed by Board Staff and the Division of Rate Counsel. Petitioner may recover the interim surcharge associated with the DSIC-eligible projects closed during the DSIC recovery period not objected to by Board Staff or the Division of Rate Counsel beginning 60 days after the end of the DSIC recovery period, subject to refund at the Board's discretion. It is **FURTHER ORDERED** that Petitioner comply with the base spending requirements set forth in this Order. Failure to comply with the base spending requirements will result in a reduction and refund, where appropriate, of the DSIC surcharge. Petitioner's DSIC surcharge is interim and subject to refund, and shall not exceed the maximum DSIC annual revenues set forth in this Order.

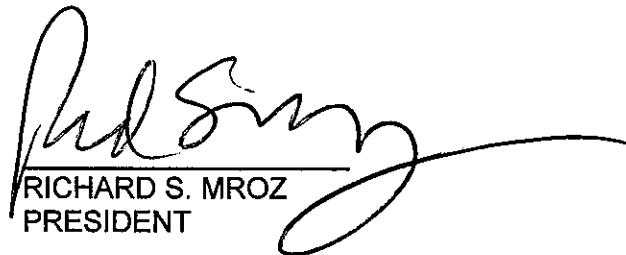
The Board **FURTHER ORDERS** that, in accordance with N.J.A.C. 14:9-10.4(e), if within three years after the effective date of this Order Petitioner has not filed a petition in accordance with the Board's rules for the setting of its base rates, all interim charges collected under the DSIC shall be deemed an over-recovery, and shall be credited to customers in accordance with the Board's rules.

The Board **HEREBY DIRECTS** the Company to submit complete revised tariffs conforming to the terms and conditions of the Rate Case Stipulation, the DSIC Stipulation, and this Order within ten (10) days from the date of this Order.

The effective date of this Order shall be July 29, 2016.

DATED: 7/29/16

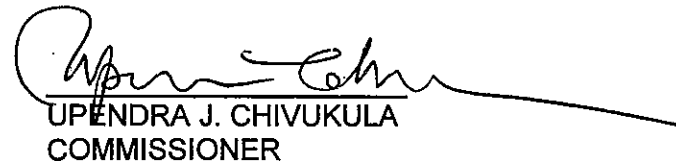
BOARD OF PUBLIC UTILITIES
BY:

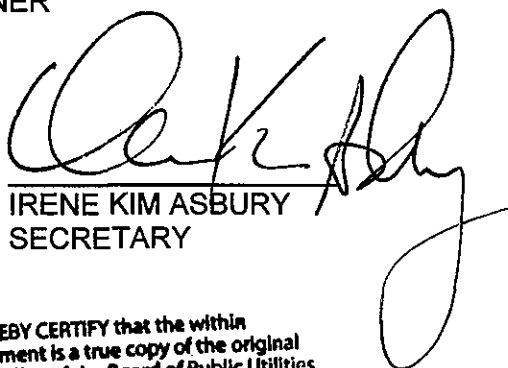

RICHARD S. MROZ
PRESIDENT


JOSEPH L. FIORDALISO
COMMISSIONER

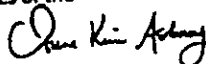

MARY-ANNA HOLDEN
COMMISSIONER


DIANNE SOLOMON
COMMISSIONER


UPENDRA J. CHIVUKULA
COMMISSIONER

ATTEST: 
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



Docket Nos. BPU WR16010089 and OAL PUC 02353-16 – In the Matter of the Petition of Aqua New Jersey, Inc. for Approval of an Increase in Rates for Water Service and Other Tariff Changes, and;

Docket No. WR16010090 – In the Matter of Aqua New Jersey, Inc. Distribution System Improvement Charge Foundational Filing 2016

SERVICE LIST

Stephen B. Genzer, Esq.
Saul Ewing, LLP
One River Front Plaza – Suite 1520
Newark, NJ 07102-5426
sgenzer@saul.com

Stefanie A. Brand, Esq., Director
Division of Rate Counsel
140 East Front Street, 4th Floor
Post Office Box 003
Trenton, NJ 08625-0003
sbrand@rpa.state.nj.us

Alex Moreau, Esq.
Deputy Attorney General
Department of Law & Public Safety
Division of Law
124 Halsey Street
Post Office Box 45029
Newark, NJ 07101-45029
Alex.moreau@dol.lps.state.nj.us

Irene Kim Asbury, Esq.
Secretary of the Board
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, NJ 08625-0350
Irene.asbury@bpu.nj.gov

Maria Moran, Director
Division of Water
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
Post Office Box 350
Trenton, NJ 08625-0350
Maria.moran@bpu.nj.gov



State of New Jersey
OFFICE OF ADMINISTRATIVE LAW

INITIAL DECISION

SETTLEMENT

OAL DKT. NO. PUC 02353-16

AGENCY DKT. NO. WR16010089

**IN THE MATTER OF THE PETITION OF
AQUA NEW JERSEY, INC., FOR APPROVAL
OF AN INCREASE IN RATES FOR WATER
SERVICE AND OTHER TARIFF CHANGES.**

Stephen B. Genzer, Esq., for petitioner Aqua New Jersey, Inc. (Saul Ewing LLP,
attorneys)

David Wand and **Veronica Beke**, Deputies Attorney General, for respondent
Division of Water, Board of Public Utilities (Christopher S. Porrino, Acting
Attorney General of New Jersey, attorney)

Alex Moreau, Deputy Attorney General, for respondent Board of Public Utilities
(Christopher S. Porrino, Acting Attorney General of New Jersey, attorney)

Stefanie A. Brand, Director, for Division of Rate Counsel, appearing pursuant to
N.J.A.C. 1:1-5.4(a)2

Record Closed: July 8, 2016

Decided: July 14, 2016

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

This proceeding involves a petition by Aqua New Jersey, Inc., for approval of an increase in rates for water service and other tariff charges. The petition was transmitted to the Office of Administrative Law on February 10, 2016, for determination as a contested case. A duly noticed public hearing was held in Hamilton, New Jersey, on April 26, 2016. No one spoke at the public hearing, and no written comments were submitted by the public.

The parties filed on July 8, 2016, a Stipulation of Settlement (J-1) which resolves all issues in this proceeding. The Stipulation of Settlement has been signed by all parties, indicates the terms of settlement, and is attached and fully incorporated herein.

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.


July 14, 2016

DATE

Date Received at Agency:

Date Mailed to Parties:

/nd



ELIA A. PELIOS, ALJ
7/18/16

APPENDIX

EXHIBITS

Jointly Submitted

J-1 Stipulation of Settlement

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

2016 FEB 10 10:13

IN THE MATTER OF THE PETITION OF
AQUA NEW JERSEY, INC. FOR
APPROVAL OF AN INCREASE IN
RATES FOR WATER SERVICE AND
OTHER TARIFF CHANGES

STIPULATION OF SETTLEMENT

BPU DOCKET NO. WR16010089
OAL DOCKET NO. 02353-2016 S

APPEARANCES:

Stephen B. Genzer, Esq., and Colleen A. Foley, Esq., Saul Ewing LLP, on behalf of Aqua New Jersey, Inc., Petitioner

Andrew Kuntz, Deputy Attorney General and Veronica Beke, Deputy Attorney General (Christopher S. Porrino, Acting Attorney General of New Jersey), on behalf of the Staff of the Board of Public Utilities

Debra F. Robinson, Esq., Deputy Rate Counsel, and Christine M. Juarez, Esq., Assistant Deputy Rate Counsel, on behalf of the Division of Rate Counsel (Stefanie A. Brand, Director)

TO THE HONORABLE BOARD OF PUBLIC UTILITIES:

The Parties in this proceeding are as follows: Aqua New Jersey, Inc. (the "Company" or "Petitioner"), the Division of Rate Counsel ("Rate Counsel"), and the Staff of the Board of Public Utilities ("Board Staff" or "Staff"). As a result of an analysis of Petitioner's pre-filed testimony and exhibits, extensive discovery, and a public hearing held on April 26, 2016, the Company, Board Staff and Rate Counsel (collectively, the "Parties") have come to an agreement on the issues in dispute in this matter. The Parties hereto agree and stipulate as follows:

Procedural History

On January 29, 2016, Petitioner, a public utility corporation of the State of New Jersey, pursuant to N.J.S.A. 48:2-21, N.J.A.C. 14:1-5.12, and N.J.A.C. 14:9-10.1 et seq., filed a

petition seeking among other things to increase rates for water service and to make other tariff changes. In addition, the Company filed a Distribution System Improvement Charge (“DSIC”) Foundational Filing which was separately docketed as BPU Docket No. WR16010090. In these filings, the Company requested a rate increase of approximately \$2,535,564 or approximately 6.69% above the adjusted annual level of revenues for the test year ending April 30, 2016, and the Company also requested approval of a new DSIC Foundational Filing.

On February 9, 2016, the Board transmitted the Company’s base rate request¹ to the Office of Administrative Law (“OAL”), and Administrative Law Judge (“ALJ”) Elia A. Pelios was assigned to hear the case. On February 24, 2016, the Board entered an Order suspending until July 4, 2016, the implementation of changes Aqua sought to make to its tariffs. A telephone Pre-Hearing Conference was convened by ALJ Pelios on March 17, 2016, and a procedural schedule was agreed to by the Parties. On June 29, 2016, the Board entered an Order further suspending until November 4, 2016, the implementation of changes Aqua sought to make to its tariffs.

Extensive discovery was conducted by the Parties with the Company providing responses to hundreds of data requests. After proper notice, a public hearing was held in Hamilton on April 26, 2016. No members of the public appeared at the hearing to provide comments regarding this matter. The hearing was transcribed and made a part of the record.

Settlement discussions were held, and the agreements reached during those discussions have resulted in the following stipulation by the Parties:

1. For the purposes of this proceeding only, the Company’s total rate base is agreed to be \$133,000,000 with a test year ending April 30, 2016, adjusted for certain known and measurable changes.

¹ The Board elected to retain the DSIC Foundational Filing matter.

2. The Parties agree, for the purposes of this proceeding only, to an overall rate of return of 7.48%, which is obtained based on the end of the test year (April 30, 2016), capital structure of 47.14%, long term debt with a cost rate of 4.94%, and 52.86% common equity with a cost rate of 9.75%. The use of a 7.48% overall rate of return results in an overall revenue requirement of \$39,042,098.

3. The Parties stipulate that a revenue increase for the Company of \$200,000 or approximately 0.51% over present test year operating revenues of \$38,842,098 is an appropriate result of this matter. The Parties agree that this revenue requirement should represent a level of revenues necessary to ensure that the Company will continue to provide safe, adequate, and proper water service to its customers. The Parties agree that the Board should issue a written Order approving this Stipulation so that the revenue recovery and the rates set forth herein shall become effective for service rendered on and after July 29, 2016.

4. The Parties acknowledge that the stipulated revenue increase of \$200,000 includes a consolidated income tax adjustment.

5. The Parties agree that the attached tariff pages, included as Exhibit A, implementing the terms of this Stipulation, should be adopted by the Board in their entirety. Attached as Exhibit B is a Proof of Revenues for the Company.

6. In a separate Stipulation of Settlement in BPU Docket No. WR16010090, the Company, Board Staff and Rate Counsel have recommended that the Board approve the Company's proposed Foundational Filing to permit the implementation of a DSIC pursuant to N.J.A.C. 14:9-10.1 et. seq. After the effective date of the Order of Approval in this matter (BPU Docket No. WR16010089) the prior Foundational Filing is closed and the DSIC charge is rolled into base rates and reset to zero .

7. The Parties recommend that the Board approve the accounting and ratemaking treatment of the acquisition adjustment associated with the Company's purchase of the Seaview Harbor Water Company, the Spartan Village water and wastewater systems and the Summit Lake water system as proposed in Exhibit P-26, Sheet 7.

8. The Parties acknowledge that the Company has agreed going forward to utilize the Federal Energy Regulatory Commission ("FERC") Method in accounting for Allowance of Funds Used During Construction ("AFUDC"). This method calculates the AFUDC rate each month by first allocating the Company's use of short-term debt to AFUDC-eligible Construction Work in Progress ("CWIP") with any AFUDC-eligible CWIP balance in excess of short-term debt assigned the Board-approved weighted average cost of capital.


9. This Stipulation is the product of extensive negotiations by the Parties, and it is an express condition of the settlement embodied by this Stipulation that it be presented to the Board in its entirety without modification or condition. It is also the intent of the Parties to this Stipulation that this settlement, once accepted and approved by the Board, shall govern all issues specified and agreed to herein. The Parties to this Stipulation specifically agree that if adopted in its entirety by the Board, no appeal shall be taken by them from the order adopting same as to those issues upon which the Parties have stipulated herein. The Parties agree that the within Stipulation reflects mutual balancing of various issues and positions and is intended to be accepted and approved in its entirety. Each term is vital to this Stipulation as a whole, since the Parties hereto expressly and jointly state that they would not have signed this Stipulation had any terms been modified in any way. In the event any particular aspect of this Stipulation is not accepted and approved by the Board, then any Party hereto materially affected thereby shall not be bound to proceed under this Stipulation. The Parties further agree that the purpose of this Stipulation is to reach fair and reasonable rates, with any compromises being made in the spirit

of reaching an agreement. None of the Signatory Parties shall be prohibited from or prejudiced in arguing a different policy or position before the Board in any other proceeding, as such agreements pertain only to this matter and to no other matter.

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

AQUA NEW JERSEY, INC.

Date: July 7, 2016


By: SAUL EWING LLP
Stephen B. Genzer, Esq.
Attorney for Petitioner

CHRISTOPHER S. PORRINO
ACTING ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the Board of
Public Utilities

Date: _____, 2016

By: Andrew Kuntz
Deputy Attorney General

STEFANIE A. BRAND, ESQ., DIRECTOR
NEW JERSEY DIVISION OF RATE COUNSEL

Date: _____, 2016

By: Christine Juarez, Esq.
Assistant Deputy Rate Counsel

of reaching an agreement. None of the Signatory Parties shall be prohibited from or prejudiced in arguing a different policy or position before the Board in any other proceeding, as such agreements pertain only to this matter and to no other matter.

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

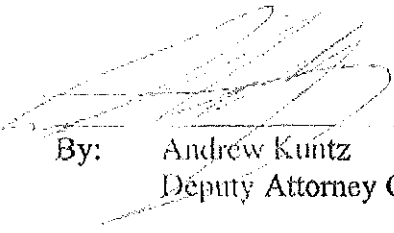
AQUA NEW JERSEY, INC.

Date: _____, 2016

By: SAUL EWING LLP
Stephen B. Genzer, Esq.
Attorney for Petitioner

CHRISTOPHER S. PORRINO
ACTING ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the Board of
Public Utilities

Date: July 7, 2016


By: Andrew Kuntz
Deputy Attorney General

STEFANIE A. BRAND, ESQ., DIRECTOR
NEW JERSEY DIVISION OF RATE COUNSEL

Date: _____, 2016

By: Christine Juarez, Esq.
Assistant Deputy Rate Counsel

of reaching an agreement. None of the Signatory Parties shall be prohibited from or prejudiced in arguing a different policy or position before the Board in any other proceeding, as such agreements pertain only to this matter and to no other matter.

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

AQUA NEW JERSEY, INC.

Date: _____, 2016

By: SAUL EWING LLP
Stephen B. Genzer, Esq.
Attorney for Petitioner

CHRISTOPHER S. PORRINO
ACTING ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the Board of
Public Utilities

Date: _____, 2016

By: Andrew Kuntz
Deputy Attorney General

STEFANIE A. BRAND, ESQ., DIRECTOR
NEW JERSEY DIVISION OF RATE COUNSEL

Date: 7/7, 2016

By: Christine Juarez, Esq.
Assistant Deputy Rate Counsel

July 7, 2016

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

Re: In the Matter of the Petition of Aqua New Jersey, Inc. for Approval
of an Increase in Rates for Water Service and Other Tariff Changes
BPU Docket No. WR16010089
OAL Docket No. 02353-2016 S

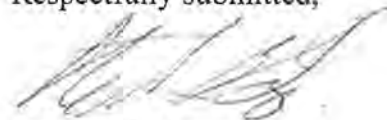
Dear Judge Pelios:

Enclosed for filing please find an original and two (2) copies, plus one additional copy, of a Stipulation of Settlement which has been executed on behalf of Petitioners, Staff of the Board of Public Utilities and the Division of Rate Counsel, in the above-referenced matter. Kindly stamp the additional copy of the Stipulation “filed” and return in the self-addressed, stamped envelope.

We ask that Your Honor kindly process this Stipulation and forward it to the Board of Public Utilities as soon as possible so that it can make their next Agenda.

Thank you for your attention to this matter.

Respectfully submitted,



Stephen B. Genzer

SBG/jg

Enclosure

cc: Attached Service List (via Email and Regular Mail, w/encl.)

SERVICE LIST
I/M/O the Petition of Aqua New Jersey, Inc. for Approval
of an Increase in Rates for Water Service and Other Tariff Changes
BPU Docket No. WR16010089
- and -
Aqua New Jersey, Inc. Distribution System Improvement Charge
BPU Docket No. WR16010090

Maria Moran, Director
Division of Water
Board of Public Utilities
44 South Clinton Ave., Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
maria.moran@bpu.state.nj.us

Mona Mosser, Bureau Chief
Bureau of Conservation & Engineering
Board of Public Utilities
44 South Clinton Ave., Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
Mona.Mosser@bpu.state.nj.us

Michael Kammer
Division of Water
Board of Public Utilities
44 South Clinton Ave., Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
mike.kammer@bpu.state.nj.us

Matthew Koczur
Division of Water
Board of Public Utilities
44 South Clinton Ave., Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
matthew.koczur@bpu.state.nj.us

Mark Beyer
Office of the Economist
Board of Public Utilities
44 South Clinton Ave. Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
mark.beyer@bpu.state.nj.us

Dr. Son Lin Lai
Office of the Economist
Board of Public Utilities
44 South Clinton Ave., Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
son-lin.lai@bpu.state.nj.us

Rupal Patel
Board of Public Utilities
44 South Clinton Avenue, Suite 314
P.O. Box 350
Trenton, NJ 08625-0350
rupal.patel@bpu.state.nj.us

Veronica Beke, DAG
Division of Law
124 Halsey Street, 5th Floor
P.O. Box 45029
Newark, NJ 07101
veronica.beke@dol.lps.state.nj.us

Steven Colby, DAG
Division of Law
124 Halsey Street, 5th Floor
P.O. Box 45029
Newark, NJ 07101
steven.colby@dol.lps.state.nj.us

Diane Kim, DAG
Division of Law
124 Halsey Street, 5th Floor
P.O. Box 45029
Newark, NJ 07101
steven.colby@dol.lps.state.nj.us

Alex Moreau, DAG
Division of Law
124 Halsey Street, 5th Floor
P.O. Box 45029
Newark, NJ 07101
alex.moreau@dol.lps.state.nj.us

Stefanie A. Brand, Director
Division of Rate Counsel
140 East Front Street, 4th Fl.
P.O. Box 003
Trenton, NJ 08625
sbrand@rpa.state.nj.us

Debra F. Robinson, Esq.
Division of Rate Counsel
140 East Front Street, 4th Fl.
P.O. Box 003
Trenton, NJ 08625
drobinso@rpa.state.nj.us

Brian Lipman, Esq.
Division of Rate Counsel
140 East Front Street, 4th Fl.
P.O. Box 003
Trenton, NJ 08625
blipman@rpa.state.nj.us

Christine M. Juarez, Esq.
Division of Rate Counsel
140 East Front Street, 4th Fl.
P.O. Box 003
Trenton, NJ 08625
cjuarez@rpa.state.nj.us

Darlene Duque-Garcia, Paralegal
Division of Rate Counsel
140 East Front Street, 4th Fl.
P.O. Box 003
Trenton, NJ 08625
cjuarez@rpa.state.nj.us

Robert J. Henkes
Henkes Consulting
7 Sunset Road
Old Greenwich, CT 06870
rhenkes@optonline.net

Howard J. Woods, Jr. P.E.
Howard J. Woods &
Associates, LLC
138 Liberty Drive
Newtown, PA 18940
howard@howardwoods.com

Brian Kalcic
Excel Consulting
225 S. Meramec Ave., Suite 720T
St. Louis, MO 63105
excel.consulting@sbcglobal.net

Matthew I. Kahal, Consultant
1108 Pheasant Crossing
Charlottesville, VA 22901
mkahal@exeterassociates.com

William C. Packer, Jr., CFO
Aqua New Jersey, Inc.
762 West Lancaster Avenue
Bryn Mawr, PA 19010
wcpackerjr@aquaamerica.com

Kimberly A. Joyce, Esq.
Aqua America, Inc.
762 West Lancaster Avenue
Bryn Mawr, PA 19010
kajoyce@aquaamerica.com

Colleen Foley, Esq.
Saul Ewing LLP
One Riverfront Plaza, Suite 1520
Newark, NJ 07102
cfoley@saul.com

Stephen B. Genzer, Esq.
Saul Ewing LLP
One Riverfront Plaza, Suite 1520
Newark, NJ 07102
sgenzer@saul.com

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

IN THE MATTER OF THE PETITION OF
AQUA NEW JERSEY, INC. FOR
APPROVAL OF AN INCREASE IN
RATES FOR WATER SERVICE AND
OTHER TARIFF CHANGES

STIPULATION OF SETTLEMENT

BPU DOCKET NO. WR16010089
OAL DOCKET NO. 02353-2016 S

APPEARANCES:

Stephen B. Genzer, Esq., and Colleen A. Foley, Esq., Saul Ewing LLP, on behalf of Aqua New Jersey, Inc., Petitioner

Andrew Kuntz, Deputy Attorney General and Veronica Beke, Deputy Attorney General (Christopher S. Porrino, Acting Attorney General of New Jersey), on behalf of the Staff of the Board of Public Utilities

Debra F. Robinson, Esq., Deputy Rate Counsel, and Christine M. Juarez, Esq., Assistant Deputy Rate Counsel, on behalf of the Division of Rate Counsel (Stefanie A. Brand, Director)

TO THE HONORABLE BOARD OF PUBLIC UTILITIES:

The Parties in this proceeding are as follows: Aqua New Jersey, Inc. (the “Company” or “Petitioner”), the Division of Rate Counsel (“Rate Counsel”), and the Staff of the Board of Public Utilities (“Board Staff” or “Staff”). As a result of an analysis of Petitioner’s pre-filed testimony and exhibits, extensive discovery, and a public hearing held on April 26, 2016, the Company, Board Staff and Rate Counsel (collectively, the “Parties”) have come to an agreement on the issues in dispute in this matter. The Parties hereto agree and stipulate as follows:

Procedural History

On January 29, 2016, Petitioner, a public utility corporation of the State of New Jersey, pursuant to N.J.S.A. 48:2-21, N.J.A.C. 14:1-5.12, and N.J.A.C. 14:9-10.1 et seq., filed a

petition seeking among other things to increase rates for water service and to make other tariff changes. In addition, the Company filed a Distribution System Improvement Charge (“DSIC”) Foundational Filing which was separately docketed as BPU Docket No. WR16010090. In these filings, the Company requested a rate increase of approximately \$2,535,564 or approximately 6.69% above the adjusted annual level of revenues for the test year ending April 30, 2016, and the Company also requested approval of a new DSIC Foundational Filing.

On February 9, 2016, the Board transmitted the Company’s base rate request¹ to the Office of Administrative Law (“OAL”), and Administrative Law Judge (“ALJ”) Elia A. Pelios was assigned to hear the case. On February 24, 2016, the Board entered an Order suspending until July 4, 2016, the implementation of changes Aqua sought to make to its tariffs. A telephone Pre-Hearing Conference was convened by ALJ Pelios on March 17, 2016, and a procedural schedule was agreed to by the Parties. On June 29, 2016, the Board entered an Order further suspending until November 4, 2016, the implementation of changes Aqua sought to make to its tariffs.

Extensive discovery was conducted by the Parties with the Company providing responses to hundreds of data requests. After proper notice, a public hearing was held in Hamilton on April 26, 2016. No members of the public appeared at the hearing to provide comments regarding this matter. The hearing was transcribed and made a part of the record.

Settlement discussions were held, and the agreements reached during those discussions have resulted in the following stipulation by the Parties:

1. For the purposes of this proceeding only, the Company’s total rate base is agreed to be \$133,000,000 with a test year ending April 30, 2016, adjusted for certain known and measurable changes.

¹ The Board elected to retain the DSIC Foundational Filing matter.

2. The Parties agree, for the purposes of this proceeding only, to an overall rate of return of 7.48%, which is obtained based on the end of the test year (April 30, 2016), capital structure of 47.14%, long term debt with a cost rate of 4.94%, and 52.86% common equity with a cost rate of 9.75%. The use of a 7.48% overall rate of return results in an overall revenue requirement of \$39,042,098.

3. The Parties stipulate that a revenue increase for the Company of \$200,000 or approximately 0.51% over present test year operating revenues of \$38,842,098 is an appropriate result of this matter. The Parties agree that this revenue requirement should represent a level of revenues necessary to ensure that the Company will continue to provide safe, adequate, and proper water service to its customers. The Parties agree that the Board should issue a written Order approving this Stipulation so that the revenue recovery and the rates set forth herein shall become effective for service rendered on and after July 29, 2016.

4. The Parties acknowledge that the stipulated revenue increase of \$200,000 includes a consolidated income tax adjustment.

5. The Parties agree that the attached tariff pages, included as Exhibit A, implementing the terms of this Stipulation, should be adopted by the Board in their entirety. Attached as Exhibit B is a Proof of Revenues for the Company.

6. In a separate Stipulation of Settlement in BPU Docket No. WR16010090, the Company, Board Staff and Rate Counsel have recommended that the Board approve the Company's proposed Foundational Filing to permit the implementation of a DSIC pursuant to N.J.A.C. 14:9-10.1 et. seq. After the effective date of the Order of Approval in this matter (BPU Docket No. WR16010089) the prior Foundational Filing is closed and the DSIC charge is rolled into base rates and reset to zero .

7. The Parties recommend that the Board approve the accounting and ratemaking treatment of the acquisition adjustment associated with the Company's purchase of the Seaview Harbor Water Company, the Spartan Village water and wastewater systems and the Summit Lake water system as proposed in Exhibit P-26, Sheet 7.

8. The Parties acknowledge that the Company has agreed going forward to utilize the Federal Energy Regulatory Commission ("FERC") Method in accounting for Allowance of Funds Used During Construction ("AFUDC"). This method calculates the AFUDC rate each month by first allocating the Company's use of short-term debt to AFUDC-eligible Construction Work in Progress ("CWIP") with any AFUDC-eligible CWIP balance in excess of short-term debt assigned the Board-approved weighted average cost of capital.

9. This Stipulation is the product of extensive negotiations by the Parties, and it is an express condition of the settlement embodied by this Stipulation that it be presented to the Board in its entirety without modification or condition. It is also the intent of the Parties to this Stipulation that this settlement, once accepted and approved by the Board, shall govern all issues specified and agreed to herein. The Parties to this Stipulation specifically agree that if adopted in its entirety by the Board, no appeal shall be taken by them from the order adopting same as to those issues upon which the Parties have stipulated herein. The Parties agree that the within Stipulation reflects mutual balancing of various issues and positions and is intended to be accepted and approved in its entirety. Each term is vital to this Stipulation as a whole, since the Parties hereto expressly and jointly state that they would not have signed this Stipulation had any terms been modified in any way. In the event any particular aspect of this Stipulation is not accepted and approved by the Board, then any Party hereto materially affected thereby shall not be bound to proceed under this Stipulation. The Parties further agree that the purpose of this Stipulation is to reach fair and reasonable rates, with any compromises being made in the spirit

of reaching an agreement. None of the Signatory Parties shall be prohibited from or prejudiced in arguing a different policy or position before the Board in any other proceeding, as such agreements pertain only to this matter and to no other matter.

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

AQUA NEW JERSEY, INC.

Date:

July 7, 2016

By:



SAUL EWING LLP
Stephen B. Genzer, Esq.
Attorney for Petitioner

CHRISTOPHER S. PORRINO
ACTING ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the Board of
Public Utilities

Date: _____, 2016

By:

Andrew Kuntz
Deputy Attorney General

STEFANIE A. BRAND, ESQ., DIRECTOR
NEW JERSEY DIVISION OF RATE COUNSEL

Date: _____, 2016

By:

Christine Juarez, Esq.
Assistant Deputy Rate Counsel

of reaching an agreement. None of the Signatory Parties shall be prohibited from or prejudiced in arguing a different policy or position before the Board in any other proceeding, as such agreements pertain only to this matter and to no other matter.

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

AQUA NEW JERSEY, INC.

Date: _____, 2016

By: SAUL EWING LLP
Stephen B. Genzer, Esq.
Attorney for Petitioner

CHRISTOPHER S. PORRINO
ACTING ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the Board of
Public Utilities

Date: July 7, 2016

By: Andrew Kuntz
Deputy Attorney General

STEFANIE A. BRAND, ESQ., DIRECTOR
NEW JERSEY DIVISION OF RATE COUNSEL

Date: _____, 2016

By: Christine Juarez, Esq.
Assistant Deputy Rate Counsel

of reaching an agreement. None of the Signatory Parties shall be prohibited from or prejudiced in arguing a different policy or position before the Board in any other proceeding, as such agreements pertain only to this matter and to no other matter.

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

AQUA NEW JERSEY, INC.

Date: _____, 2016

By: SAUL EWING LLP
Stephen B. Genzer, Esq.
Attorney for Petitioner

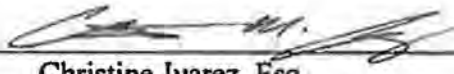
CHRISTOPHER S. PORRINO
ACTING ATTORNEY GENERAL OF NEW JERSEY
Attorney for the Staff of the Board of
Public Utilities

Date: _____, 2016

By: Andrew Kuntz
Deputy Attorney General

STEFANIE A. BRAND, ESQ., DIRECTOR
NEW JERSEY DIVISION OF RATE COUNSEL

Date: 7/7 _____, 2016



By: Christine Juarez, Esq.
Assistant Deputy Rate Counsel

EXHIBIT A

AQUA NEW JERSEY, INC.
TARIFF
FOR
WATER SERVICE
APPLICABLE IN
ALL OR PART OF
WARREN, HUNTERDON, MERCER, BURLINGTON, CAMDEN, OCEAN,
SUSSEX, MONMOUTH, GLOUCESTER AND ATLANTIC COUNTIES
NEW JERSEY

Issued: _____

Effective Date: _____

By: John Hildabrant, President
10 Black Forest Road
Hamilton, NJ 08691

Filed pursuant to decision and order of the Board of Public Utilities dated
_____ in Docket No. WM 16010089.

[This page intentionally left blank]

Issued: _____

Effective Date: _____

By: John Hildabrant, President
10 Black Forest Road
Hamilton, NJ 08691

Filed pursuant to decision and order of the Board of Public Utilities dated
. in Docket No. WM 16010089.

TABLE OF CONTENTS

Territory Served			<u>Sheet No</u> 2
Standard Terms and Conditions			3 - 3G
Rate Schedule as listed below			
<u>Applicable To</u>	<u>For</u>	<u>Schedule</u>	<u>Sheet No</u>
Main Service Area	General Metered Service	1	4
	This page not being used		4A
	This page not being used		4B
	This page not being used		4C
All Territories Served	Distribution System Improvement Charge	1D	4D
Tranquility Springs Service Area	General Metered Service	1E	4E
Seaview Service Area	Metered Service	1F	4F
All Territory Served	Private Fire Protection	2	5 & 5A
	This page not being used	2A	6 & 6A
All Territory Served	Public Fire Protection	4	7 & 7A
	This page is not being used	5	8
	This page is not being used	6	9
All Territory Served	Service Charges	7	10
All Territory Served	Water Sold For Resale Only	8	11
All Territory Served	Economic Development Program		12-15
Non-Treated and Non-Potable Water Service	Liberty Road Well - Lopatcong Township Golf Course	9	16
	This page is not being used	10	17

Issued:

Effective Date:

By: John Hildabrant, President
10 Black Forest Road
Hamilton, NJ 08691

Filed pursuant to decision and order of the Board of Public Utilities dated _____, in Docket No. WM 16010089.

TERRITORY SERVED

ATLANTIC COUNTY

Egg Harbor Township

BURLINGTON COUNTY

Chesterfield Township *
North Hanover Township
Borough of Wrightstown

CAMDEN COUNTY

Blackwood *
Gloucester Township *
Laurel Springs *

GLOUCESTER COUNTY

Woolwich Township

HUNTERDON COUNTY

Bloomsbury Borough *
Califon Borough
Holland Township*
Lebanon Township

MERCER COUNTY

Hamilton Square *
Hamilton Township *
Lawrence Township
Lawrenceville Township
Robbinsville Township *

MONMOUTH COUNTY

Upper Freehold

OCEAN COUNTY

Berkeley Township

SUSSEX COUNTY

Fredon Township
Green Township*
Hardyston Township *
Vernon Township *

WARREN COUNTY

Greenwich Township
Harmony Township
Lopatcong Township
Town of Phillipsburg
Town of Pohatcong

*Partially served

Issued: _____

Effective Date: _____

By: John Hildabrant, President
10 Black Forest Road
Hamilton, NJ 08691

Filed pursuant to decision and order of the Board of Public Utilities dated
in Docket No. WM 16010089.

STANDARD TERMS AND CONDITIONS

Service will be governed by the pertinent rules and regulations promulgated by the Board of Public Utilities, and said rules are herein adopted and incorporated by reference.

Issued:

Effective Date:

By: John Hildabrant, President
10 Black Forest Road
Hamilton, NJ 08691

Filed pursuant to decision and order of the Board of Public Utilities dated
. in Docket No. WM 16010089.

AN INTRODUCTION TO CUSTOMERS

The approved tariff can be found on the Company's website, www.aquaamerica.com for your review. The Company is responsible to maintain its tariff with any changes approved by the Board of Public Utilities and must, by State Law and regulations, maintain it in exactly the same format as the Company's tariff on file at the Board of Public Utilities, 44 S. Clinton Avenue, Trenton, New Jersey 08625. The Division of Water and Wastewater is on the 7th floor.

If, after you review this tariff and discuss it with appropriate Company employees, you still have questions regarding clarification or interpretations, please contact the Board of Public Utilities, Division of Water and Wastewater, Bureau of Rates and Tariff Design at (609) 341-9188 as well as, 1-800-624-0241.

You have the right to review this tariff at the Company's offices or at the Board's office in Trenton. Your inquiries will be handled by the Board's staff in an expeditious manner in order to protect your rights as well as those of the water and/or sewer company. Please feel free to exercise this right by telephone or by visiting the Board's offices at any time between the hours of 9:00 a.m. to 4:00 p.m., Monday through Friday, or by writing a letter. The letter should contain the writer's name, address and phone number-including the area code. If the writer is a customer of record, the account number should be included.

The Company also has available in its office a leaflet entitled "An Overview of Common Customer Complaints and Customer Rights." This is a summary of the most frequent customer complaints and rights; it does not include all customer rights or utility obligations.

The Board of Public Utilities is responsible for the final interpretation and enforcement of a utility's tariff provisions and rates. The utility is bound by New Jersey statutes and the Board's regulations. If a conflict should exist in the tariff that is detrimental to the customer, the Board's regulations supersede the tariff provision absent specific approval to the contrary by the New Jersey Board of Public Utilities. A utility company may provide for more liberal treatment than that provided for in the Board's regulations.

Issued: _____

Effective Date: _____

By: John Hildabrant, President
10 Black Forest Road
Hamilton, NJ 08691

Subject to decision and order of the Board of Public Utilities
in Docket No. WM 16010089.

AN OVERVIEW OF COMMON CUSTOMER COMPLAINTS AND CUSTOMER RIGHTS

- (1) No public utility shall refuse to furnish or supply service to a qualified applicant (Board Order CX86602155).
- (2) The utility shall not place the name of a second individual on the account of a residential customer unless specifically requested by said second individual (N.J.A.C. 14:3-3.2).

DEPOSITS

- (3) If after notice of the methods of establishing credit and being afforded an opportunity, a customer has not established satisfactory credit, the utility may require a deposit. The deposit amount shall be determined by taking the cost of service for one year, dividing by twelve and multiplying that figure by 2. EX: 12 months total bills = \$763.54 divided by 12 = \$63.63 multiplied by 2 = \$127.26 deposit, or \$127.
- (4) The utility must furnish a receipt to any customer posting a deposit. The deposit will be returned with simple interest at a rate established annually by the Board of Public Utilities. Once the customer has established satisfactory credit with the utility, the deposit shall be returned to the customer with interest due. The customer has the option of receiving the deposit refund either by a check or a credit on the account. If a residential customer's deposit is not returned, the utility shall credit the customer's account with the accrued interest once every twelve months (N.J.A.C. 14:3-3.5).
- (5) Where a water or sewer utility furnishes unmetered service, for which payment is received in advance, it may not require a deposit (N.J.A.C. 14:3-3.4).

DEFERRED PAYMENT AGREEMENTS

- (6) A customer is entitled to at least one deferred payment plan in one year. In the case of a residential customer who receives more than one utility service from the same utility (EX: water and sewer; gas and electric) and the amount which is in arrears is a combination of those services, the utility shall offer a separate deferred payment agreement for each service based on the outstanding balance for that service. The Company MUST re-negotiate the deferred payment agreement should the customer's financial situation change significantly. The Company must also issue a new discontinuance notice each time it

Issued: _____

Effective Date: _____

By: John Hildabrant, President
10 Black Forest Road
Hamilton, NJ 08691

Filed pursuant to decision and order of the Board of Public Utilities dated _____
in Docket No. WM 16010089.

DEFERRED PAYMENT AGREEMENTS (CONTINUED)

intends to shut off service, including defaults on the terms of the agreement. In the case of a residential customer who receives more than one utility service from the same utility and has subsequently entered into an agreement for each separate service, default on one such payment agreement shall constitute grounds for discontinuance of only that service (N.J.A.C. 14:3-7.7).

(7) A water and sewer utility shall not discontinue service because of nonpayment of bills in cases where a charge is in dispute provided the undisputed charges are paid and a request is made to the Board within five (5) days for investigation of the disputed charge. The Company must advise the customer of their right to appeal to the Board of Public Utilities (N.J.A.C. 14:3-7.13(a)).

(8) A customer has at least fifteen (15) days to pay a bill. A water and/or sewer utility may not discontinue water and sewer service unless written notice giving the customer at least ten (10) days notice prior to the proposed discontinuance. The notice shall not be given until after the expiration of the said fifteen (15) day period (N.J.A.C. 14:3-3A.3). The notice shall contain sufficient information for the customer to notify the Board of Public Utilities of the nature of the dispute. The utility shall make a good faith effort to determine which of its residential customers are over 65 years of age, and shall make good faith efforts to notify such customers of discontinuance of service by telephone in addition to notice by regular mail. This effort may consist of an appropriate inquiry set forth on the notice informing customers that they may designate a third party to receive notice of discontinuance. Utilities shall annually notify all residential customers that, upon request, notice of discontinuance of service will be sent to a designated third party as well as to the customer of record (N.J.A.C. 14:3-3A.4).

(9) Public utilities shall not discontinue residential service except between the hours of 8:00 a.m. and 4:00 p.m., Monday through Thursday, unless there is a safety related emergency. There shall be no involuntary termination of service on Fridays, Saturdays, and Sundays or on the day before a holiday or on a holiday absent such emergency.

(10) The occupant of a multiple family dwelling has the right to be notified of a pending service discontinuance at least fifteen (15) days prior to the service being discontinued.

(11) A customer has the right to have any complaint against the utility handled promptly by that utility. Board Order (Docket No. CO8602155).

(12) Each utility shall, upon request, furnish its customers with such information as is reasonable in order that the customers may obtain safe, adequate and proper service (N.J.A.C. 14:3-3.3(a)). Each utility shall inform its customers, where peculiar or unusual circumstances prevail, as to the conditions under which sufficient and satisfactory service may be secured from its system (N.J.A.C. 14:3-3.3(c)). Each utility shall supply its customers with information on the furnishing and performance of service in a manner that tends to conserve energy resources and preserve the quality of the environment (N.J.A.C. 14:3-3.3(d)).

Issued:

Effective Date:

By: John Hildabrant, President
10 Black Forest Road
Hamilton, NJ 08691

Filed pursuant to decision and order of the Board of Public Utilities dated _____, in Docket No. WM 16010089.

METERS

(13) The utility must provide for one free meter test within a year if the customer so requests it. The customer can request that the Company or the Board may test the meter. A meter of a customer who has a complaint filed with the Board reflecting on the accuracy of the meter shall not be removed from service by the utility during the pendency of said complaint or during the following thirty (30) days unless otherwise authorized or directed by the Board (N.J.A.C. 14:3-4.8(c)). **When a billing dispute is known to exist, the electric, gas or water utility shall, prior to removing the meter, advise the customer that the customer may have the meter tested by the utility or may have the Board either conduct a test of the meter or witness a testing of the meter by the utility, and that in any event the customer may have the test witnessed by a third party (N.J.A.C. 14:3-4.5(c)). A meter test arising from a billing dispute may be appropriate in instances which include, but are not limited to, unexplained increased consumption, crossed meters, consumption while an account is vacant or any other instance where the meter's accuracy might be an issue in a bill dispute (N.J.A.C. 14:3-4.5(d)).**

(14) Whenever a water meter is found to be registering fast by more than one and one-half percent, an adjustment of charges shall be made in accordance with the following: (1) If the date when the meter had first become inaccurate can be ascertained then the adjustment shall be such percentage as the meter is found to be in error at the time of test adjusted to 100 per cent on the amount of the bills covering the entire period that the meter has registered inaccurately; (2) In all other cases the adjustment shall be such percentage as the meter is found to be in error at the time of the test on one-half of the total amount of the billing affected by the fast meter adjusted to 100 percent since the previous test. No adjustment shall be made for a period greater than the time during which the customer has received service through that meter. No adjustment shall be made for a meter that is found to be registering less than 100 percent except in the case of meter tampering, non-registering meters or in circumstances in which the customer should reasonably have known that his bill did not reflect his usage (N.J.A.C. 14:3-4.6).

(15) A utility must maintain records of customers' accounts for each billing period occurring within a six (6) year period. Such records shall contain all information necessary to permit computation of the bill (N.J.A.C. 14:3-6.1(b)).

Issued: _____

Effective Date: _____

By: John Hildabrant, President
10 Black Forest Road
Hamilton, NJ 08691

Filed pursuant to decision and order of the Board of Public Utilities dated
in Docket No. WM 16010089.

METERS (CONTINUED)

(16) Bills rendered must contain the following information: (a) The meter readings at the beginning and end of the billing period; (b) The dates on which the meter is read; (c) The number and kind of units measured; (d) Identification of applicable rate schedule or a statement that the applicable rate schedule will be furnished on request; (e) The amount of the bill; (f) A distinctive marking to indicate an estimated or averaged bill; (g) An explanation or statement of any conversion from meter reading to billing units or any other calculations or factors used in determining the bill; and (h) The gross receipts and franchise tax statement (N.J.A.C. 14:3-7.9).

Issued: _____

Effective Date: _____

By: John Hildabrant, President
10 Black Forest Road
Hamilton, NJ 08691

Filed pursuant to decision and order of the Board of Public Utilities dated _____, in Docket No. WM 16010089.

STANDARD TERMS AND CONDITIONS

EMERGENCY RESPONSE DUE TO EXTRAORDINARY DEMAND AND/OR DIMINISHED SUPPLY

1.1 Discontinuance of service for failure to comply with use restrictions.

For compliance by the utility in good faith with any governmental order or directive, notwithstanding that such order or directive subsequently may be held to be invalid, the Company may, upon reasonable notice, as set forth in sections 2.1 and 2.3 herein, suspend, curtail, or discontinue service pursuant to N.J.S.A. 48:2-23, N.J.S.A. 48:2-24, and N.J.A.C. 14:3-3A.1 and N.J.A.C. 14:3-3A.2 for any of the following acts or omissions on the part of the customer:

- (1) Connecting or operating any piping or other facility, including but not limited to, lawn sprinkling on the customer's premises in such a manner as to adversely affect the safety or adequacy of service provided to other customers present or prospective; or
- (2) Continuing waste of water by customers after notice from the utility through improper or imperfect pipes, fixtures, or failure to comply with restrictions; or
- (3) Failure to comply with the standard terms and conditions contained in this tariff or failure to comply with any state law, or the rules, regulations, orders or restrictions of any governmental authority having jurisdiction.

1.2 Water service shall be restored when the conditions under which such service was discontinued, as specified above, are corrected and upon the payment of the SPECIAL RESTORATION OF SERVICE CHARGE OF \$100.00 FOR EACH RESTORATION.

Issued: _____

Effective Date: _____

By: John Hildabrant, President
10 Black Forest Road
Hamilton, NJ 08691

Filed pursuant to decision and order of the Board of Public Utilities dated
in Docket No. WM 16010089.

EMERGENCY RESPONSE DUE TO EXTRAORDINARY DEMAND AND/OR DIMINISHED
SUPPLY (CONTINUED)

2.1 The Company will endeavor to provide a regular and uninterrupted supply of water through its facilities. However, if because of emergencies beyond the control of the Company, including governmental mandate, service is interrupted, irregular, defective or fails, the Company will not be liable for damage or inconvenience resulting therefrom. In the event of an extraordinary demand and/or diminished supply, the Company may restrict the use of water whenever the public welfare may require it and, if necessary, may shut off the water in its mains and pipes. In such cases the Company shall advise its customers by placing a prominent advertisement detailing the conditions and restrictions in a newspaper of general circulation in the utility service area. The notice will state the purpose and probable duration of the restriction or discontinuance. Failure to provide regular and uninterrupted service due to breakdowns is covered under other sections of this tariff.

2.2 The Company may restrict water service during certain periods, where the Company advises the Board of Public Utilities, in order to protect the public water supply, or otherwise to comply with any regulations, orders or decrees issued by the Governor of New Jersey or the Department of Environmental Protection pursuant to the Water Supply Management Act. Such interruptions or restrictions shall be reported to the Department of Environmental Protection and the Board by each utility by the speediest means of communications available, followed by a detailed written report, pursuant to the provisions of N.J.A.C. 14:3-3.9(b), within one week. Thereafter the utility shall provide weekly reports for the duration of the emergency.

2.3 When the supply of water to individual customers is to be shut off or curtailed for failure to comply with emergency water restrictions imposed because of extraordinary demand or diminished supply, the Company shall advise its customers by placing a doortag on the front door of the home of the individual(s) in violation of the restrictions, at least twenty-four (24) hours prior to discontinuance or curtailment, or by giving another form of notice acceptable to the Board. The Company will advise business and commercial customers, in writing, by mailing a notice to the customer's billing address. In the case of doortags, they shall be sequentially numbered and include the date, time and nature of the violation and the procedure for restoration of service. All such notices shall be accounted for by the utility.

Issued: _____

Effective Date: _____

By: John Hildabrant, President
10 Black Forest Road
Hamilton, NJ 08691

Filed pursuant to decision and order of the Board of Public Utilities dated
in Docket No. WM 16010089.

RATE SCHEDULE NO. 1
GENERAL METERED SERVICE - MAIN

APPLICABILITY

Applicable to the use of water supplied through meters to all customers served by the Company, with the exception of Tranquility Springs and Seaview.

CHARACTER OF SERVICE

Continuous

RATE:

Size of Meter

5/8" or 5/8" x 3/4"

3/4"

1"

1 1/2"

2"

3"

4"

6"

8"

10"

12"

Fixed Service Charge

Amount Per Month

\$ 14.33

21.50

35.83

71.65

114.65

214.95

358.25

716.50

1,146.40

1,647.95

3,080.95

Usage Charge

Rate/1000 Gallons

\$ 5.8047

3.4101

General Metered Consumption

General Metered Consumption - Walkill

TERMS OF PAYMENT:

BILLS ARE DUE FIFTEEN (15) DAYS AFTER THE BILL IS SENT. Bills for metered service will be rendered monthly in arrears.

Issued:

By: John Hildabrant, President
10 Black Forest Road
Hamilton, NJ 08691

Effective Date: _____

The State of New Jersey enacted Chapter 443 of the Laws of New Jersey 1983 concerning the periodic testing of public water supplies which establishes a water tax of \$0.01 per 1,000 gallons of water. This water tax is reflected and included in the above rates.

Filed pursuant to decision and order of the Board of Public Utilities dated
in Docket No. WR 16010089

THIS SHEET BEING HELD FOR FUTURE USE

Issued:

Effective Date:

By: John Hildabrant, President
10 Black Forest Road
Hamilton, NJ 08691

Filed pursuant to decision and order of the Board of Public Utilities dated
in Docket No. WR 16010089.

AQUA NEW JERSEY, INC.
B.P.U. NO. 17 - WATER

FIRST REVISED SHEET NO. 4B
CANCELLING ORIGINAL SHEET NO. 4B

THIS SHEET BEING HELD FOR FUTURE USE

Issued: _____
By: John Hildabrant, President
10 Black Forest Road
Hamilton, NJ 08691

Effective Date: _____

Filed pursuant to decision and order of the Board of Public Utilities dated
_____ in Docket No. WR 16010089.

AQUA NEW JERSEY, INC.
B.P.U. NO. 17 - WATER

FIRST REVISED SHEET NO. 4C
CANCELLING ORIGINAL SHEET NO. 4C

THIS SHEET BEING HELD FOR FUTURE USE

Issued: _____
By: John Hildabrant, President
10 Black Forest Road
Hamilton, NJ 08691

Effective Date: _____

Filed pursuant to decision and order of the Board of Public Utilities dated
_____ in Docket No. WR 16010089.

RATE SCHEDULE NO. 1D
DISTRIBUTION SYSTEM INVESTMENT CHARGE
GENERAL METERED SERVICE - MAIN, TRANQUILITY SPRINGS, AND SEAVIEW

APPLICABILITY

Applicable to general metered service connections noted below.

CHARACTER OF SERVICE

Continuous

Class	Meter Size	Monthly DSIC Assessment \$
Metered Service	5/8x3/4"	\$0.00
	3/4"	\$0.00
	1"	\$0.00
	1-1/2"	\$0.00
	2"	\$0.00
	3"	\$0.00
	4"	\$0.00
	6"	\$0.00
	8"	\$0.00
	10"	\$0.00
	12"	\$0.00

TERMS OF PAYMENT:

Applicable to customer's bill.

Issued:

By: John Hildabrant, President
10 Black Forest Road
Hamilton, NJ 08691

Effective Date:

RATE SCHEDULE NO. 1E
GENERAL METERED SERVICE - TRANQUILITY SPRINGS

APPLICABILITY

Applicable to the use of water supplied through meters to customers served by the Company, within the Tranquility Springs service area.

CHARACTER OF SERVICE

Continuous

RATE:

Size of Meter

5/8" or 5/8" x 3/4"

3/4"

1"

1 1/2"

2"

3"

4"

Fixed Service Charge

Amount Per Month

\$ 18.24

27.36

45.60

91.20

145.92

273.60

456.00

Usage Charge

Rate/1000 Gallons

\$ 5.8047

General Metered Consumption

TERMS OF PAYMENT:

BILLS ARE DUE FIFTEEN (15) DAYS AFTER THE BILL IS SENT. Bills for metered service will be rendered monthly in arrears.

Issued:

By: John Hildabrant, President
10 Black Forest Road
Hamilton, NJ 08691

Effective Date:

The State of New Jersey enacted Chapter 443 of the Laws of New Jersey 1983 concerning the periodic testing of public water supplies which establishes a water tax of \$0.01 per 1,000 gallons of water. This water tax is reflected and included in the above rates.

Filed pursuant to decision and order of the Board of Public Utilities dated
in Docket No. WR 16010089.

RATE SCHEDULE NO. 1F - SEAVIEW
METERED SERVICE

APPLICABILITY:

Applicable to the use of water supplied through meters for general water service to customers served by the Company within the Seaview service area.

CHARACTER OF SERVICE

Continuous

RATE:

Consumption Charges

Quantity	
Rate Per	
<u>Used in the Month</u>	<u>1,000 Gallons</u>
All water used	\$9.602

Monthly Service Charge

<u>Size of Meter</u>	<u>Per Month</u>
5/8"	\$ 30.00
3/4"	45.00
1"	75.00
1 1/2"	150.00
2"	240.00

TERMS OF PAYMENT:

BILLS ARE DUE FIFTEEN (15) DAYS AFTER THE BILL IS SENT. Bills for metered service will be rendered monthly in arrears.

Issued:

Effective Date:

By: John Hildabrant, President
10 Black Forest Road
Hamilton, NJ 08691

The State of New Jersey enacted Chapter 443 of the Laws of New Jersey 1983 concerning the periodic testing of public water supplies which establishes a water tax of \$0.01 per 1,000 gallons of water. This water tax is reflected and included in the above rates.

Filed pursuant to decision and order of the Board of Public Utilities dated
in Docket No. WM 16010089.

RATE SCHEDULE NO. 2
PRIVATE FIRE PROTECTION SERVICE

APPLICABILITY:

Applicable to all customers served by the Company for private fire protection service.

CHARACTER OF SERVICE:

The Company will use due diligence at all times to provide customers service of the character or quality proposed to be supplied, but in case the service shall be interrupted or irregular or defective or fail, the Company shall be liable and obligated only to use reasonably diligent efforts in the light of the circumstances then existing to restore service or to correct its characteristics.

RATE:

Sprinkler connections including hoses or hydrants connected to them.

<u>Size of Service</u>	<u>Amount Per Month</u>
2" or less (Residential)	\$ 0.00
3" or less	96.40
4"	160.66
6"	321.32
8"	514.10
10"	739.02
12"	1,381.66

Private Hydrants \$ 41.28

MINIMUM CHARGE:

None.

TERMS OF PAYMENT:

BILLS ARE DUE FIFTEEN (15) DAYS AFTER THE BILL IS SENT. Bills are rendered monthly in arrears.

SPECIAL PROVISIONS:

Private fire service lines shall be equipped with special meters or detection devices and are to be used exclusively for fire protection purposes. No water shall be used through these fire protection connections except for testing purposes or in case of fire. However, the water company shall be notified at least 72 hours (3 days) prior to the testing of any fire protection connection; and shall be given the opportunity to witness said test.

Issued: _____

Effective Date: _____

By: John Hildabrant, President
10 Black Forest Road
Hamilton, NJ 08691

Filed pursuant to decision and order of the Board of Public Utilities dated
_____ in Docket No. WR 16010089.

RATE SCHEDULE NO. 2
PRIVATE FIRE PROTECTION SERVICE

Customers desiring a separate service connection for private fire service are required to make separate written application for such service on forms prescribed by the Company. Private fire service installations are made in accordance with the provisions of this tariff regarding the installation of service and connecting pipes and other facilities.

Service lines designated for private fire protection are installed for customers requiring a private fire service to supply sprinkler heads or hose connections. Any connection in which sprinkler heads and / or hose connections are supplied through a domestic service connection are not considered as part of a private fire protection service and shall not be deemed as part of this section (i.e., limited fire protection).

The connection shall be in accordance with the applicable laws including but not limited to those of the BPU, DEP and all federal, state and local agencies

The Company shall not be liable for any loss, injury, casualty or damage resulting from fire or water, or other agency, resulting from the supply or use of water service or the failure thereof, which may occur on account of the installation or presence of a private fire service connection, or from the presence or operation of the Company's structures, equipment, pipes, appliances or devices on the customer's premises, or connected therewith.

The Company may not discontinue water service unless it has provided written notice giving the customer at least thirty (30) days notice prior to the proposed discontinuance. However, in case of fraud, illegal use, or when it is clearly indicated that the customer is preparing to leave, immediate payment of accounts may be required, and service may be discontinued without further notice.

When hydrants are attached between the main and the meter, a charge per hydrant will be made. The installation and maintenance of fire hydrants and the supplying of water through such hydrants is for the sole use of authorized fire-fighting personnel for the control and extinguishment of any fire.

No additional charge shall be made for water used in testing or for fire. However, should it be determined by the water company that water is being, or has been, used through a fire protection connection for other than fire protection or testing purposes, the water company shall have the right to charge for the water used based on its "General Metered Service" tariff and to order said unauthorized use to cease immediately subject to the termination of the service.

Issued: _____

Effective Date: _____

By: John Hildabrant, President
10 Black Forest Road
Hamilton, NJ 08691

Filed pursuant to decision and order of the Board of Public Utilities dated _____
in Docket No. WR 16010089.

AQUA NEW JERSEY, INC.
B.P.U. NO. 17 - WATER

FIFTH REVISED SHEET NO. 6
SUPERSEDING FOURTH REVISED SHEET NO. 6

THIS SHEET BEING HELD FOR FUTURE USE

Issued: _____

Effective Date: _____

By: John Hildabrant, President
10 Black Forest Road
Hamilton, NJ 08691

Filed pursuant to decision and order of the Board of Public Utilities dated
_____, in Docket No. WR 16010089.

AQUA NEW JERSEY, INC.
B.P.U. NO. 17 - WATER

FOURTH REVISED SHEET NO. 6A
SUPERSEDING THIRD REVISED SHEET NO. 6A

THIS SHEET BEING HELD FOR FUTURE USE

Issued: _____

Effective Date: _____

By: John Hildabrant, President
10 Black Forest Road
Hamilton, NJ 08691

Filed pursuant to decision and order of the Board of Public Utilities dated
_____, in Docket No. WR 16010089.

RATE SCHEDULE NO. 4
PUBLIC FIRE PROTECTION SERVICE

APPLICABILITY:

This schedule is applicable to all customers served by the Company for public fire within the company franchise, except as noted below:

CHARACTER OF SERVICE:

The installation and maintenance of fire hydrants, and the supplying of water through such hydrants, is for the sole use of authorized fire-fighting personnel for the control and extinguishment of any fire. The Company will use due diligence at all times to provide continuous service of the character or quality proposed to be supplied, but in case the service shall be interrupted or irregular or defective or fail, the Company shall be liable and obligated only to use reasonably diligent efforts in the light of the circumstances then existing to restore service or to correct its characteristics.

RATE:

1. Hydrant Charge

For each fire hydrant installed there shall be made a Monthly Fire Protection Charge of:

All Service Areas (Except as noted below)	\$ 53.65
Alpha Boro	23.28
Bayville (Billed Monthly)	18.64
Califon Boro	51.23
Fredon Twp	23.28
Hardyston Township	13.11
Holland Twp Church St	51.23
Holland Twp Fox Hill Dr.	31.66
Lawrenceville (Billed Monthly)	25.48
Phillipsburg Twn	53.65
Tranquility Springs	46.57
Upper Freehold Twp	30.74

Issued: _____

Effective Date: _____

By: John Hildabrant, President
10 Black Forest Road
Hamilton, NJ 08691

Filed pursuant to decision and order of the Board of Public Utilities dated _____
in Docket No. WR 16010089.

RATE SCHEDULE NO. 4
PUBLIC FIRE PROTECTION SERVICE (CONTINUED)

2. Terms of Payment

Unless otherwise noted above, all bills for municipal fire protection shall be rendered net Quarterly, in arrears, and shall become due and payable FIFTEEN (15) DAYS AFTER THE BILL IS SENT.

3. Special Provisions

All hydrants, lead valves, branches and other appurtenances shall be and remain the property of the Company.

Upon application or request by a duly authorized representative of a municipality in the Company's service area, the Company will install fire hydrants for purposes of public fire protection. The locations of such hydrants are selected by agreement between officials of the municipalities and representatives of the Company after careful consideration. Municipalities shall pay the Company a charge for service to public fire hydrants as provided in the applicable rate schedule set forth in this tariff.

Issued: _____

Effective Date: _____

By: John Hildabrant, President
10 Black Forest Road
Hamilton, NJ 08691

Filed pursuant to decision and order of the Board of Public Utilities dated _____, in Docket No. WR 16010089.

AQUA NEW JERSEY, INC.
B.P.U. NO. 17 - WATER

NINTH REVISED SHEET NO. 8
SUPERSEDING EIGHTH REVISED SHEET NO. 8

RATE SCHEDULE NO. 5
THIS SCHEDULE IS NO LONGER BEING USED

Issued: _____

Effective Date: _____

By: John Hildabrant, President
10 Black Forest Road
Hamilton, NJ 08691

Filed pursuant to decision and order of the Board of Public Utilities dated _____
, in Docket No. WR 16010089.

RATE SCHEDULE NO. 6
THIS SCHEDULE IS NO LONGER BEING USED

Issued: _____

Effective Date: _____

By: John Hildabrant, President
10 Black Forest Road
Hamilton, NJ 08691

Filed pursuant to decision and order of the Board of Public Utilities dated
_____, in Docket No. WR 16010089.

RATE SCHEDULE NO. 7
SERVICE CHARGE

TERMINATION AND RESUMPTION OF SERVICE:

For resumption of service after discontinuance of service due to non-payment, and for resetting a meter outside the normal business hours, there shall be a charge of:\$50.00

BAD CHECK CHARGE:

For the receipt of a negotiable instrument from a customer in payment of a bill, charge, or deposit due and such instrument is subsequently dishonored or uncollectible for any reason, the Company shall charge a handling charge equal to the costs incurred by the Company from the financial institution.

NON-STANDARD METER CONNECTION:

For metered connections which are set up for the temporary, short term sale of water such as to contractors, lawn care specialists, etc.; the Company shall charge a \$27.00 fixed service charge plus a charge for the water taken based on its "General Metered Service" tariff. The Company shall have the right to designate where, how, when and if such water may be obtained. Anyone being given permission to obtain water in such a manner must have in place a mechanism acceptable to the Company that will assure against the backflow of water into the Company's system.

Issued: _____

Effective Date: _____

By: John Hildabrant, President
10 Black Forest Road
Hamilton, NJ 08691

Filed pursuant to decision and order of the Board of Public Utilities dated _____, in Docket No. WR 16010089.

RATE SCHEDULE NO. 8
WATER SOLD FOR RESALE ONLY

APPLICABILITY:

Applicable to water sold for resale only, within all territories served by the Company and which is exempt from the water tax as established by enactment of Chapter 443 of the Laws of New Jersey 1983.

CHARACTER OF SERVICE:

Continuous.

RATE:

Size of Meter

5/8" or 5/8" x 3/4"

3/4"

1"

1 1/2"

2"

3"

4"

6"

8"

10"

12"

Fixed Service Charge

Amount Per Month

\$ 14.33

21.50

35.83

71.65

114.65

214.95

358.25

716.50

1,146.40

1,647.95

3,080.95

Usage Charge

Rate/1000 Gallons

\$ 5.7947

General Metered Consumption

TERMS OF PAYMENT:

BILLS ARE DUE FIFTEEN (15) DAYS AFTER THE BILL IS SENT. Bills for metered water service will be rendered monthly in arrears.

Issued: _____

Effective Date: _____

By: John Hildabrant, President
10 Black Forest Road
Hamilton, NJ 08691

Filed pursuant to decision and order of the Board of Public Utilities dated _____
in Docket No. WR 16010089.

RIDER 103
ECONOMIC DEVELOPMENT PROGRAM

APPLICABILITY

Customers receiving service under Rate Schedules No. 1 and No. 2

CHARACTER OF SERVICE

Commitments for service under third provision will be made available to qualifying customers.

CREDIT

A credit equal to 65% of the eligible portion of a customer's consumption charge(s) as described below for the newly constructed, leased or purchased space, as determined by AQUA NEW JERSEY, INC., will be applied to the customer's monthly water bills for the first year, decreasing to 45% in the second year, 25% in the third year, 10% in the fourth year and no reduction in subsequent years. The credit must commence within nine months after receiving written commitment from AQUA NEW JERSEY, INC. for Economic Development Program. In no case shall application of this Service result in a negative charge for consumption.

For new customers, the credit shall apply to all consumption subject to certain caps as measured by AQUA NEW JERSEY, INC. A new customer, for purposes of this Service, shall be defined as a customer who has not previously received water from AQUA NEW JERSEY, INC. within the previous two years, or whose newly leased or purchased space is separately metered.

For existing customers, the credit shall apply only to that consumption, as measured by AQUA NEW JERSEY, INC., which is in excess of the highest comparable consumption during the most recent 10 year period without such expansion. Existing customers shall also be subject to the caps on eligible consumption. An existing customer for purposes of this Service, shall be defined as a customer whose newly leased or purchased space is not separately metered from the existing service.

The Company reserves the right, after proper notification to the Board of Public Utilities, to cancel this tariff at any time for new applicants. The Company also reserved the right to determine the bona fide nature of any applicant wishing to utilize this tariff. This tariff shall be open for a minimum of two years subject to the caps on eligible consumption.

Issued:

Effective Date:

By: John Hildabrant, President
10 Black Forest Road
Hamilton, NJ 08691

Filed pursuant to decision and order of the Board of Public Utilities dated _____
in Docket No. WR 16010089.

RIDER ED
ECONOMIC DEVELOPMENT PROGRAM (CONTINUED)

ADDITIONAL CREDIT

An additional credit of 5% per year for the first four years will be added to the above credit for all its customers who qualify for the Economic Development Program and are also in a "priority location" (Urban Enterprise Zones) as defined by the New Jersey Economic Development Authority. The credit would be based on the same parameters as above and equate to a 70% credit for the first year, 50% for the second year, 30% for the third year, and 15% for the fourth and final year.

ELIGIBILITY

Each customer will be required to sign an Application for Economic Development Service including an estimate of additional consumption. The customer will also be required to participate in a conservation audit performed by the Company. The customer must remain on the same rate schedule as in the base year period throughout the four-year term of the program. AQUA NEW JERSEY, INC., upon verification of eligibility, will provide the customer with a written commitment for Economic Development Program Service.

To be eligible, a customer must lease or purchase new or vacant space for manufacturing, retail, research and development, office or warehousing. The effective date of the lease or purchase must be after the date of this rate schedule. The total additional leased or purchased building space must equal or exceed 2,000 square feet.

Qualifying vacant building space must be vacant for a minimum of six months, as determined by AQUA NEW JERSEY, INC., prior to receiving a commitment for the Economic Development Program.

Issued: _____

Effective Date: _____

By: John Hildabrant, President
10 Black Forest Road
Hamilton, NJ 08691

Filed pursuant to decision and order of the Board of Public Utilities dated _____
in Docket No. WR 16010089.

RIDER ED
ECONOMIC DEVELOPMENT PROGRAM (CONTINUED)

Customer must be adding at least two permanent full-time employees (owner included) to their payroll at the site receiving Economic Development Program Service. Relocation or consolidation of employees based in AQUA NEW JERSEY, INC.'s service territory without employment growth, will not qualify. Employment growth will be confirmed by AQUA NEW JERSEY, INC. in conjunction with the New Jersey Department of Labor and/or affidavit from the customer. AQUA NEW JERSEY, INC. reserves the right, at its discretion, to periodically verify employment increases and sustained level of employment. If after verification the required employment level has not been sustained, Rider ED will no longer be applicable.

The Company reserves the right, after proper notification to the Board of Public Utilities, to cancel this tariff at any time for new applicants. The Company also reserves the right to determine the bona fide nature of any applicant wishing to utilize this tariff. This tariff shall be open for a minimum of two years subject to the caps on eligible consumption.

LIMITATIONS OF SERVICE

This service is not available to federal, state, county or local government or governmental entities. In addition, the Company shall limit eligibility into the pilot economic development program so that the following total maximum consumption factors should not be exceeded:

- a) The Company shall limit its economic development discounts so that, over a period of 12 consecutive months, to be measured at the end of each month, the Company sells no more than 52 million gallons under the Economic Development Rider. If the 52 million gallon cap is exceeded in any 12 month period, then the Company shall immediately cease accepting new applicants under the Economic Development Rider.
- b) There shall be a cap on the discount for all water sold per month to any individual customer as follows:
 - i) no more than 15,000 gallons per month shall be subject to discount under the Economic Development Rider for customers having a meter size of less than one inch.
 - ii) no more than 30,000 gallons per month shall be subject to discount under the Economic Development Rider for customers having a meter size of one inch, 1.5 inches, or two inches.

Issued: _____

Effective Date: _____

By: John Hildabrant, President
10 Black Forest Road
Hamilton, NJ 08691

Filed pursuant to decision and order of the Board of Public Utilities dated _____
in Docket No. WR 16010089.

RIDER ED
ECONOMIC DEVELOPMENT PROGRAM (CONTINUED)

iii) no more than 60,000 gallons per month shall be subject to discount under the Economic Development Rider for customers having a meter size of three inches or larger.

However, no eligible customer who is served under this tariff shall be denied the full benefit of the four year duration of the discounts under this pilot program.

Issued: _____

Effective Date: _____

By: John Hildabrant, President
10 Black Forest Road
Hamilton, NJ 08691

Filed pursuant to decision and order of the Board of Public Utilities dated
_____ in Docket No. WR 16010089.

RATE SCHEDULE NO. 9
NON-TREATED AND NON-POTABLE METERED SERVICE
LIBERTY ROAD WELL - LOPATCONG TOWNSHIP GOLF COURSE

APPLICABILITY

Applicable to the use of non-treated and non-potable water supplied through a meter to the Lopatcong Township Golf Course for irrigation purposes only.

CHARACTER OF SERVICE

Continuous

RATE:

Rates are the same as those for Rate Schedule No. 1 – Main.

	<u>Usage Charge</u> <u>Rate/1000 Gallons</u>
All Consumption	\$ <u>1,1604</u>

Peak Electrical Demands Surcharge – the surcharge for all peak electrical use will be passed on directly to the specific user.

TERMS OF PAYMENT:

BILLS ARE DUE FIFTEEN (15) DAYS AFTER THE BILL IS SENT. Bills for metered service will be rendered monthly in arrears.

Issued: _____

Effective Date: _____

By: John Hildabrant, President
10 Black Forest Road
Hamilton, NJ 08691

Filed pursuant to decision and order of the Board of Public Utilities dated
in Docket No. WR 16010089.

AQUA NEW JERSEY, INC.
B.P.U. NO. 17 - WATER

FIFTH REVISED SHEET NO. 17
SUPERSEDING FOURTH REVISED SHEET NO. 17

RATE SCHEDULE NO. 10
THIS SCHEDULE IS NO LONGER BEING USED

Issued: _____

Effective Date: _____

By: John Hildabrant, President
10 Black Forest Road
Hamilton, NJ 08691

Filed pursuant to decision and order of the Board of Public Utilities dated
_____, in Docket No. WR 16010089.

EXHIBIT B

Aqua New Jersey, Inc.
Settlement Rates
and Proof of Revenue

	Billing Determinants	Present Rate	Present Revenue	Settlement Rate	Settlement Revenue	% Increase
	(1)	(2)	(3)	(4)	(5)	(6)
Metered Sales						
<u>Main</u>						
Fixed			\$10,623,945		\$10,968,848	3.25%
Usage Main	4,044,318	\$5.3870	\$21,786,741	\$5.8047	\$23,476,053	7.75%
Usage Walkill	27,360	\$2.4240	\$66,321	\$3.4101	\$93,300	40.68%
<u>Tranq. Springs</u>						
Fixed			\$15,000		\$10,944	-27.04%
Usage	3,515	\$4.5000	\$15,818	\$5.8047	\$20,404	28.99%
<u>Seaview</u>						
Fixed			\$45,476		\$37,440	-17.67%
Usage	6,388	\$9.6020	\$61,338	\$9.6020	\$61,338	0.00%
<u>Bulk</u>						
Fixed			\$7,776		\$7,776	0.00%
Usage	6,011	\$5.3870	\$32,381	\$5.8047	\$34,892	7.75%
<u>Raw Water</u>						
Fixed	7	\$347.00	\$2,429	\$358.25	\$2,508	3.24%
Usage	36,617	\$1.0770	\$39,437	\$1.1604	\$42,490	7.74%
Total Metered	4,124,209		\$32,696,661		\$34,755,993	6.30%
Public Fire						
Main	30,300	\$54.16	\$1,641,048	\$53.65	\$1,625,595	-0.94%
Phillipsburg Town.	2,568	\$51.36	\$131,892	\$53.65	\$137,773	4.46%
Califon Boro	312	\$49.04	\$15,300	\$51.23	\$15,984	4.47%
Hardyston Town.	504	\$11.59	\$5,841	\$13.11	\$6,607	13.11%
Holland, Church	240	\$49.04	\$11,770	\$51.23	\$12,295	4.47%
Holland, Fox Hill	48	\$30.31	\$1,455	\$31.66	\$1,520	4.45%
Alpha Boro.	12	\$22.29	\$267	\$23.28	\$279	4.44%
Fredon Town.	228	\$22.29	\$5,082	\$23.28	\$5,308	4.44%
Upper Freehold	516	\$29.43	\$15,186	\$30.74	\$15,862	4.45%
Bayville	3,552	\$17.84	\$63,368	\$18.64	\$66,209	4.48%
Lawrenceville	2,832	\$24.39	\$69,072	\$25.48	\$72,159	4.47%
Tranq. Springs	276	\$44.58	\$12,304	\$46.57	\$12,853	4.46%
Total Public	41,388		\$1,972,587		\$1,972,445	-0.01%

Aqua New Jersey, Inc.
Settlement Rates
and Proof of Revenue

	Billing Determinants (1)	Present Rate (2)	Present Revenue (3)	Settlement Rate (4)	Settlement Revenue (5)	% Increase (6)
Private Fire						
<i>Main</i>						
Hydrants	1,716	\$41.28	\$70,836	\$41.28	\$70,836	0.00%
3"	84	\$96.40	\$8,098	\$96.40	\$8,098	0.00%
4"	1,488	\$160.66	\$239,062	\$160.66	\$239,062	0.00%
6"	2,040	\$321.32	\$655,493	\$321.32	\$655,493	0.00%
8"	732	\$514.10	\$376,321	\$514.10	\$376,321	0.00%
10"	228	\$739.02	\$168,497	\$739.02	\$168,497	0.00%
12"	24	\$1,381.66	\$33,160	\$1,381.66	\$33,160	0.00%
subt	4,596		\$1,551,467		\$1,551,467	0.00%
<i>Berkley</i>						
Hydrants	0	\$41.28	\$0	\$41.28	\$0	0.00%
3"	12	\$89.02	\$1,068	\$96.40	\$1,157	8.29%
4"	48	\$148.36	\$7,121	\$160.66	\$7,712	8.29%
6"	84	\$296.73	\$24,925	\$321.32	\$26,991	8.29%
8"	36	\$474.76	\$17,091	\$514.10	\$18,508	8.29%
subt	180		\$50,206		\$54,367	8.29%
Total Private			\$1,601,673		\$1,605,834	0.26%
Total Rate Revenue			\$36,270,920		\$38,334,271	5.69%

DETAIL

Fixed Charges

MAIN

5/8"	519,636	\$13.88	\$7,212,548	\$14.33	\$7,446,384	3.24%
3/4"	66,420	\$20.82	\$1,382,864	\$21.50	\$1,428,030	3.27%
1"	12,672	\$34.70	\$439,718	\$35.83	\$454,038	3.26%
1 1/2"	3,912	\$69.40	\$271,493	\$71.65	\$280,295	3.24%
2"	7,056	\$111.04	\$783,498	\$114.65	\$808,970	3.25%
3"	480	\$208.20	\$99,936	\$214.95	\$103,176	3.24%
4"	288	\$347.00	\$99,936	\$358.25	\$103,176	3.24%
6"	204	\$694.00	\$141,576	\$716.50	\$146,166	3.24%
8"	156	\$1,110.40	\$173,222	\$1,146.40	\$178,838	3.24%
10"	12	\$1,596.20	\$19,154	\$1,647.95	\$19,775	3.24%
12"	0	\$2,984.20	\$0	\$3,080.95	\$0	3.24%
Subtotal	610,836		\$10,623,945		\$10,968,848	3.25%

Aqua New Jersey, Inc.
Settlement Rates
and Proof of Revenue

	Billing Determinants (1)	Present Rate (2)	Present Revenue (3)	Settlement Rate (4)	Settlement Revenue (5)	% Increase (6)
<i>Tranq. Springs</i>						
5/8"	600	\$25.00	\$15,000	\$18.24	\$10,944	-27.04%
3/4"	0	\$37.50	\$0	\$27.36	\$0	-27.04%
1"	0	\$62.50	\$0	\$45.60	\$0	-27.04%
1 1/2"	0	\$125.00	\$0	\$91.20	\$0	-27.04%
2"	0	\$200.00	\$0	\$145.92	\$0	-27.04%
3"	0	\$375.00	\$0	\$273.60	\$0	-27.04%
4"	0	\$625.00	\$0	\$456.00	\$0	-27.04%
Subtotal	600		\$15,000		\$10,944	-27.04%
<i>Seaview</i>						
5/8"	1032	\$36.44	\$37,606	\$30.00	\$30,960	-17.67%
3/4"	0	\$54.66	\$0	\$45.00	\$0	-17.67%
1"	24	\$91.10	\$2,186	\$75.00	\$1,800	-17.67%
1 1/2"	12	\$182.19	\$2,186	\$150.00	\$1,800	-17.67%
2"	12	\$291.50	\$3,498	\$240.00	\$2,880	-17.67%
Subtotal	1080		\$45,476		\$37,440	-17.67%
<i>Bulk</i>						
Fixed Charge	288	\$27.00	\$7,776	\$27.00	\$7,776	0.00%

Source: Billing Determinants tie to settlement.

<u>Summary</u>			
Metered Sales	\$32,696,661	\$34,755,993	6.30%
Public Fire	\$1,972,587	\$1,972,445	-0.01%
Private Fire	<u>\$1,601,673</u>	<u>\$1,605,834</u>	0.26%
Subtotal	\$36,270,920	\$38,334,271	5.69%
Miscellaneous	\$113,921	\$113,921	0.00%
Antennae	\$594,056	\$594,056	0.00%
DSIC Revenues	<u>\$1,863,201</u>	<u>\$0</u>	
 Total Revenues	 \$38,842,098	 \$39,042,248	 0.52%

Target	\$39,042,098
Rounding	\$151