

The Company also has a rate schedule for a Distribution System Improvement Charge ("DSIC") surcharge. The Company currently does not have a resale rate for sales to other neighboring municipalities or regulated utilities.

The Company is requesting to establish a resale rate, as it believes it would have opportunities to sell resale water, which additional sales would benefit the existing customers of the Company by spreading its operating costs over a larger level of water sales. The proposed tariff would have no increase on existing customers.

The proposed tariffs,³ BPU No. 9 – Water, Rate Schedule No. 1A, Service to Other Systems (Exhibit 1 to the petition) includes a proposed rate of \$3.4249 per 1,000 gallons and BPU No. 4 – Water, Rate Schedule No. 2 Service to Other Water Supply Systems (Exhibit 3 to the petition) shows a rate of \$2.5618 per hundred cubic feet which equates to \$3.4249 per 1,000 gallons.

The rate of \$3.4249 per 1,000 gallons is the same as the current resale rate for SUEZ Water New Jersey⁴ ("SWNJ"). The Petitioner states that using the data from SWTR's 2010 Cost of Service Study and its current Board authorized rate of return of 9.75%, the rate to recover all base costs results in a sale for resale rate of \$3.6221 per 1,000 gallons (Exhibit PT-1 to the petition, page 2, lines 20 to 23). The Petitioner proposes to use the SWNJ rate because it is already a Board approved rate and is within 5% of the rate developed utilizing the 2010 SWTR Cost of Service Study, which, the Petitioner claims, is a reasonable difference between the proposed rate and the rate that results using the 2010 SWTR Cost of Service Study. (Exhibit PT-1 to the petition, page 3, lines 1 to 11).

The Company responded to discovery requests from Board Staff and the New Jersey Division of Rate Counsel ("Rate Counsel"). By letter dated July 13, 2017, Rate Counsel submitted its comments to the Petition and stated that it is not opposed to its approval subject to the provisions that there is no authorization to include any specific assets or amounts in rate base or any other ratemaking treatment. Rate Counsel requested that Board approval of the resale tariff be subject to review in the Company's next base rate case. Rate Counsel further requested that the Company be directed to file a cost of service study with its next rate case to support continuation of the new tariff.

DISCUSSIONS AND FINDINGS

The Company's filing complies with N.J.A.C. 14:1-5.11 and is not thereby proposing to increase any customer rates. Based on the foregoing and a thorough review of the record in this proceeding, the Board **HEREBY FINDS** that the rates set forth above and included in the proposed initial Resale tariff, Rate Schedule 1A and Rate Schedule 2, to be just and reasonable and necessary for the Company to provide safe, adequate and proper Resale service to the neighboring municipalities or regulated utilities.

Corp's Utility Assets and to Expand its Service Area Related to the Acquisition of Assets, BPU Docket No. WM16030197, Order dated July 29, 2016.

³ This description of the proposed tariffs is intended as a summary. The actual tariffs will form the basis for how a customer's bill will be determined unless and until Petitioner's rates are modified in a future base rate proceeding.

⁴ SUEZ Water New Jersey's current tariff was approved in I/M/O the Petition for Approval of an Increase in Rate for Water Service and Other Tariff Changes for SUEZ Water New Jersey, Inc., BPU Docket No. WR15101177, OAL Docket No. PUC 16468-15, Order dated April 27, 2016.

The Board **HEREBY APPROVES** the proposed initial Resale tariff rate, Rate Schedules 1A and 2, to be just and reasonable and necessary for SUEZ Water Toms River to provide resale service subject to the following conditions:

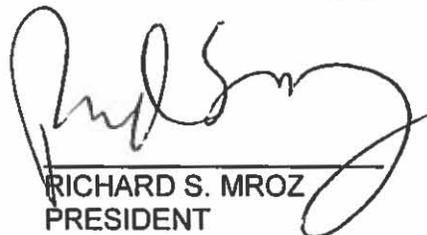
1. This Order shall not be construed as directly or indirectly fixing, for any purpose whatsoever, any value of the tangible or intangible assets now owned or hereafter to be owned by Petitioner.
2. This Order shall not affect, or in any way limit, the exercise of the authority of this Board or of this State in any petition or proceeding with respect to rates, franchises, services, financing, including method of sale of securities, accounting, capitalization, depreciation, or any other matter affecting Petitioner.
3. In an appropriate subsequent proceeding, the Company shall have the burden of demonstrating whether and to what extent the costs associated with this petition shall be allocated to ratepayers. Approval of this initial tariff does not include the costs of the specific assets that are or will be completed as a result of the new service territory.

Tariff pages conforming to the terms of this Order must be submitted within ten (10) business days of the effective date of this Order.

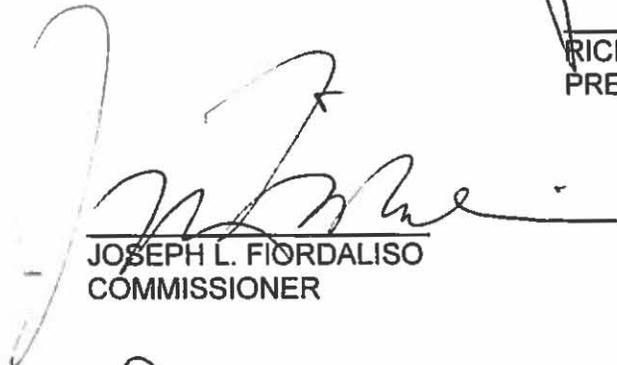
This Order shall be effective on August 5, 2017.

DATED: 7/26/17

BOARD OF PUBLIC UTILITIES:
BY:



RICHARD S. MROZ
PRESIDENT



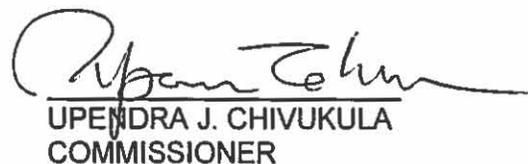
JOSEPH L. FIORDALISO
COMMISSIONER



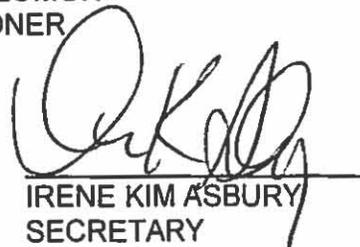
MARY-ANNA HOLDEN
COMMISSIONER



DIANNE SOLOMON
COMMISSIONER

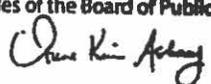


UPENDRA J. CHIVUKULA
COMMISSIONER

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



**IN THE MATTER OF THE PETITION OF SUEZ WATER TOMS RIVER, INC.
FOR APPROVAL TO ESTABLISH A NEW RESALE TARIFF RATE**

BPU DOCKET NO. WR17030185

SERVICE LIST

Bryant Gonzalez, Esq.
Corporate Attorney
SUEZ
461 From Road, Suite 400
Paramus, NJ 07652
Bryant.gonzalez@suez-na.com

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

Maria L. 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