



Agenda Date: 8/29/18  
Agenda Item: 5B

**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
44 South Clinton Avenue, 3<sup>rd</sup> Floor, Suite 314  
Post Office Box 350  
Trenton, New Jersey 08625-0350  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

WATER

IN THE MATTER OF THE PETITION OF GORDON'S )  
CORNER WATER COMPANY FOR AN INCREASE IN )  
RATES AND CHARGES FOR WATER SERVICE )  
)  
) BPU DOCKET NO. WR18030268  
) OAL DOCKET NO. PUC 05104-2018S

**Parties of Record:**

**Stephen B. Genzer, Esq.,** Saul Ewing Arnstein & Lehr, on behalf of Gordon's Corner Water Company  
**Stefanie A. Brand, Esq.,** Director, New Jersey Division of Rate Counsel

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

**BACKGROUND/PROCEDURAL HISTORY**

On March 16, 2018, pursuant to N.J.S.A. 48:2-21 and N.J.A.C. 14:1-5.12, Gordon's Corner Water Company ("Gordon's Corner," "Company," or "Petitioner"), a public utility of the State of New Jersey, with its principal business office located at 27 Vandenburg Road, Marlboro, New Jersey, 07746, and subject to the jurisdiction of the Board of Public Utilities ("Board"), filed a petition for authority to increase its base tariff rates and charges for water service amounting to approximately \$1,827,537 or 16.1%. The Petitioner proposed that the increase in rates become effective on April 20, 2018.<sup>2</sup>

Gordon's Corner serves approximately 15,000 customers in portions of Marlboro and Manalapan Townships, Monmouth County, New Jersey. According to the petition, the need for the base rate relief is primarily driven by several factors: (1) to establish an income level which will permit the Company to finance essential and continuing plant investment; (2) to permit Petitioner to earn a fair and adequate rate of return on its net investment in used and useful property; (3) to establish rates which will be sufficient to enable the Company, under efficient and economical operation, to maintain and support financial integrity and to raise such funds as may be necessary for the proper discharge of its public duties; (4) to offset increases in operating expenses experienced, and to be experienced, by the Company in the course of its operations; (5) to provide earnings sufficient to attract investors and provide sufficient cash flow

<sup>1</sup> Commissioner Robert M. Gordon did not participate.

<sup>2</sup> By letter dated April 3, 2018, the Company filed a letter with the Board stating that it will not implement rates on an interim basis prior to the effective date of the Board's initial suspension order for this matter.

to fund the Company's operations; and (6) to enable the Company to provide safe, adequate and proper service to its customers.

By this Order the Board considers the Initial Decision of Administrative Law Judge ("ALJ") Jacob S. Gertsman recommending that the Board adopt the Stipulation of Settlement ("Stipulation") executed by Petitioner, the Division of Rate Counsel ("Rate Counsel"), and the Staff of the Board of Public Utilities ("Staff") (collectively, the "Parties"), agreeing to an overall increase over present revenues totaling \$1,232,000, representing an 11.23% increase over Petitioner's present revenues of \$12,575,634.

On April 5, 2018, the Board transmitted this matter to the Office of Administrative Law ("OAL") for hearing as a contested case and it was assigned to ALJ Gertsman. ALJ Gertsman held a telephonic prehearing conference on April 23, 2018 at which time dates for a public hearing in Petitioner's service territory and evidentiary hearings were scheduled.

After notice in newspapers of general circulation within Gordon's Corner service territory, a public hearing was held on June 5, 2018 at Manalapan Township Municipal Building in Manalapan, New Jersey. The Mayor of Englishtown, New Jersey, Mayor Thomas Reynolds appeared at the public hearing and commented that the Board did not receive any written comments with regard to this matter.

By Order dated April 25, 2018, the Board suspended the proposed rate increase until August 20, 2018. By Order dated July 25, 2018, the Board further suspended the proposed rate increase until December 20, 2018.

As the case progressed, the Petitioner subsequently submitted updated schedules, based on actual results for the twelve (12) month period ending June 30, 2018, and revised its request for an increase of \$1,541,713, or approximately 13.7% over present revenues.

### **STIPULATION**

As a result of Rate Counsel's and Staff's analysis of the petition and exhibits, Petitioner's responses to discovery propounded by Rate Counsel and Staff, and settlement discussions held among the Parties, on August 10, 2018, the Parties reached a stipulation of settlement ("Stipulation"), the key elements of which are as follows:<sup>3</sup>

1. The twelve (12) months ended June 30, 2018, adjusted for known and measurable changes is a reasonable and proper test year.
2. Petitioner's rate base is \$10,795,163.
3. The overall rate of return is 8.304%, which reflects a rate of common equity of 9.60% as shown below:

---

<sup>3</sup>Although described in this Order at some length, should there be any conflict between this summary and the Stipulation, the terms of the Stipulation control, subject to the findings and conclusions in this Order.

Required Cost of Capital

<u>Cost</u>	<u>Amount</u>	<u>Percentage</u>	<u>Cost Rate</u>	<u>Weighted</u>
Common Equity	\$6,541,271	52%	9.6%	4.992%
Long Term Debt	<u>\$3,466,496</u>	<u>48%</u>	6.90%	<u>3.312%</u>
Total Cost	\$10,007,767	100%		8.304%

4. Petitioner's required operating income is \$896,430 and its pro forma operating income is \$42,319, resulting in an operating income deficiency of \$854,111 resulting in a revenue increase of \$1,256,717, representing an overall percentage increase of 11.51% over present rate revenues.
5. The Company has submitted proposed tariff pages, annexed as Exhibit B to the Stipulation. The Parties agree that said proposed tariff pages conform to the terms of the Stipulation and that the proposed tariff pages are designed to produce the additional annual revenues to which the Parties have stipulated to.
6. For the purpose of any future Purchased Water Adjustment Clause ("PWAC") filings to be made by the Petitioner, the Parties stipulate and agree that:
  - a. This matter resulted in the establishment of base rates in a base rate proceeding within the meaning of N.J.A.C. 14:9-7. et seq.;
  - b. The purchased water expense level in this case is set at \$4,147,998; which is based on Petitioner paying the following rates, per thousand gallons of water, to its suppliers: \$2.55 to SUEZ Matchaponix Water Company; \$4.54933 to Marlboro Township Water Utility Division; and \$1.9335 to Aberdeen Township; and
  - c. The total volume of purchased water used in establishing Petitioner's base costs is set at 1,229,441 million gallons.
7. This Stipulation recognizes a separate agreement by the Parties finalizing and closing the Generic Tax proceeding initiated by the Board in I/M/O the New Jersey Board of Public Utilities' Consideration of the Tax Cuts and Jobs Act of 2017, Docket No. AX18010001 (January 31, 2018). Recognizing that the Board retained jurisdiction over the Generic Tax proceeding, the Parties did not request any specific OAL findings on the Generic Tax proceeding but only findings related to resolution of the Stipulation resolving this base rate proceeding. For the ALJ's edification, however, the Stipulation noted that the impact of the Generic Tax proceeding on Gordon's Corner's customers (including a one-time \$0.50 (50 cent) per customer credit) would be implemented concurrently with any Board action with respect to this Stipulation and would resolve both matters.

On August 14, 2018, ALJ Gertsman issued an Initial Decision in this matter, recommending adoption of the Stipulation executed by the Parties and adoption of the Stipulation executed by the Parties, finding that they had voluntarily agreed to the Stipulation and the Stipulation fully disposes of all issues and is consistent with the law.

By letter dated August 21, 2018, Petitioner requested expedited service.

**DISCUSSION AND FINDINGS:**

The Board is mindful of the impact any rate increase has on customers. However, having reviewed the record in this matter, including ALJ Gertsman's 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, 320 U.S. 591 (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.

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 Company's request to identify the baseline data required to implement a Purchased Water Adjustment Clause pursuant to N.J.A.C. 14:9-7.1 et seq.

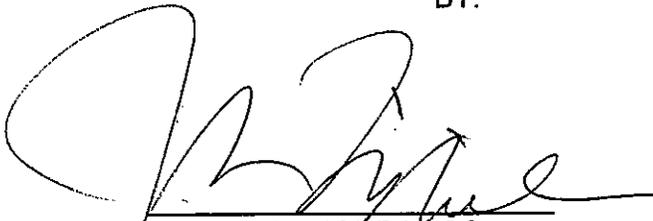
The Company is **HEREBY DIRECTED** to file tariff sheets consistent with this Order by September 1, 2018.

The Company's rates remain subject to audit by the Board. This Decision and Order shall not preclude the Board from taking any actions deemed to be appropriate as a result of any Board audit.

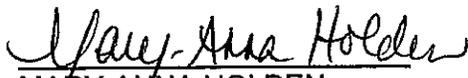
Rates to become effective for service rendered on and after the effective date of this Order.

DATED: 8/29/18

BOARD OF PUBLIC UTILITIES  
BY:



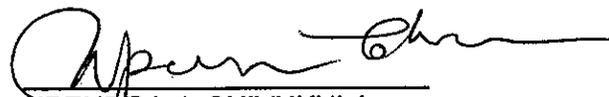
JOSEPH L. FIORDALISO  
PRESIDENT



MARY-ANNA HOLDEN  
COMMISSIONER



DIANNE SOLOMON  
COMMISSIONER



UPENDRA J. CHIVUKULA  
COMMISSIONER

ATTEST:   
AIDA CAMACHO-WELCH  
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 GORDON'S CORNER WATER COMPANY FOR AN  
INCREASE IN RATES AND CHARGES FOR WATER SERVICE  
BPU DOCKET NO. WR18030268  
OAL DOCKET NO. PUC 05104-2018S

SERVICE LIST

Stephen B. Genzer, Esq.  
Saul Ewing Arnstein & Lehr  
One Riverfront Plaza, Suite 1520  
Newark, NJ 07102-5426  
[sgenzer@saul.com](mailto:sgenzer@saul.com)

Stefanie A. Brand, Esq., Director  
Division of Rate Counsel  
140 East Front Street, 4<sup>th</sup> Floor  
Post Office Box 003  
Trenton, NJ 08625-0003  
[sbrand@rpa.nj.gov](mailto:sbrand@rpa.nj.gov)

Maria L. Moran, Director  
Division of Water  
Board of Public Utilities  
44 South Clinton Avenue, 3<sup>rd</sup> Floor, Suite 314  
Post Office Box 350  
Trenton, NJ 08625-0350  
[Maria.Moran@bpu.nj.gov](mailto:Maria.Moran@bpu.nj.gov)

Aida Camacho-Welch  
Secretary of the Board  
Board of Public Utilities  
44 South Clinton Avenue, 3<sup>rd</sup> Floor, Suite 314  
Post Office Box 350  
Trenton, NJ 08625-0350  
[Aida.Camacho@bpu.nj.gov](mailto:Aida.Camacho@bpu.nj.gov)

Renee Greenberg, Esq.  
Deputy Attorney General  
Division of Law  
124 Halsey Street, 2<sup>nd</sup> floor  
Newark, NJ 07101  
[renee.greenberg@law.njoag.gov](mailto:renee.greenberg@law.njoag.gov)

Alex Moreau, Esq.  
Deputy Attorney General  
Department of Law and Public Safety  
Division of Law  
124 Halsey Street  
Post Office Box 45029  
Newark, NJ 07101-45029  
[alex.moreau@law.njoag.gov](mailto:alex.moreau@law.njoag.gov)

RECEIVED  
CASE MANAGEMENT

AUG 21 2018

BOARD OF PUBLIC UTILITIES  
TRENTON, NJ



**State of New Jersey**  
OFFICE OF ADMINISTRATIVE LAW

BOARD OF PUBLIC UTILITIES

AUG 21 2018

MAIL RECEIVED

**INITIAL DECISION**

**SETTLEMENT**

OAL DKT. NO. PUC 05104-18

AGENCY DKT. NO. WR18030268

**IN THE MATTER OF THE PETITION  
OF GORDON'S CORNER WATER COMPANY  
FOR AN INCREASE IN RATES AND CHARGES  
FOR WATER SERVICE.**

---

**Stephen B. Genzer, Esq.**, for Petitioner Gordon's Corner Water Company (Saul Ewing  
Amstein & Lehr, attorneys)

**Alex Moreau and Patricia Krogman**, Deputy Attorneys General, for Staff of the Board  
of Public Utilities (Gurbir S. Grewal, Attorney General of New Jersey, attorney)

**Debra Robinson and Christine Juarez**, Assistant Deputies Rate Counsel, for Division  
of Rate Counsel (Stefanie A. Brand, Director)

Record Closed: August 13, 2018

Decided: August 14, 2018

BEFORE **JACOB S. GERTSMAN**, ALJ t/a:

This proceeding involves a petition, filed on March 15, 2017, by Gordon's Corner  
Water Company (Company) with the Board of Public Utilities (Board), pursuant to N.J.S.A.

OAL DKT. NO. PUC 0510418

48:2-21, seeking a rate increase pursuant to N.J.S.A. 48-2-21, N.J.A.C. 14:1-5.12 and N.J.A.C. 14:9-7.1 et seq.

The petition was transmitted to the Office of Administrative Law (OAL) on April 10, 2018, for determination as a contested case, and assigned to the undersigned, who conducted the initial case management conference on May 7, 2018. A duly-noticed public hearing was held in Manalapan, New Jersey, on June 5, 2018. One member of the public attended the hearing to express concern of the effect the proposed rate increase would have on a small municipality. No written comments were received.

The parties filed on August 13, 2018, a Stipulation of Settlement (J-1) which resolves all issues in this proceeding. Said Stipulation of Settlement has been signed by petitioner, Staff of the Board of Public Utilities, and Division of Rate Counsel. It 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

OAL DKT. NO. PUC 0510418

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.

August 14, 2018

DATE

  
\_\_\_\_\_  
JACOB S. GERTSMAN, ALJ t/a

Date Received at Agency:

8-20-18

Date Mailed to Parties:

8-20-18.

JSG/nd

OAL DKT. NO. PUC 0510418

**APPENDIX**

**EXHIBITS**

**Jointly Submitted**

J-1 Stipulation of Settlement

RECEIVED

STATE OF NEW JERSEY  
BOARD OF PUBLIC UTILITIES 2018 AUG 13 P 2:34

STATE OF NEW JERSEY  
OFFICE OF ADMIN LAW

\_\_\_\_\_  
IN THE MATTER OF THE PETITION OF  
GORDON'S CORNER WATER COMPANY  
FOR AN INCREASE IN RATES AND  
CHARGES FOR WATER SERVICE  
\_\_\_\_\_

:  
: **STIPULATION**  
:  
: BPU Docket No. WR18030268  
: OAL Docket No. PUC05104-2018S  
:

**APPEARANCES:**

Stephen B. Genzer, Esq., Saul Ewing Arnstein & Lehr LLP, Attorney for  
Petitioner, Gordon's Corner Water Company;

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

Renee Greenberg, Deputy Attorney General and Caroline Vachier, Deputy  
Attorney General (Gurbir S. Grewal, Attorney General of New Jersey), on behalf  
of the Staff of the New Jersey Board of Public Utilities.

TO THE HONORABLE JACOB S. GERTSMAN, ALJ AND THE BOARD OF  
PUBLIC UTILITIES:

**I. PROCEDURAL HISTORY**

(1) Petitioner, Gordon's Corner Water Company (hereinafter referred to as  
"Petitioner" or "Company"), is a public utility of the State of New Jersey, subject to the  
jurisdiction of the Board of Public Utilities ("Board") and franchised to provide water  
service in the Townships of Marlboro and Manalapan, Monmouth County, New Jersey.

(2) On March 16, 2018, Petitioner filed a petition with the Board, pursuant to  
N.J.S.A. 48:2-21, N.J.A.C. 14:1-5.12 and N.J.A.C. 14:9-7.1, et seq., to increase and revise  
its rates and charges for water service and to update the required base data for a

Purchased Water Adjustment Clause (PWAC"). This Stipulation will reset the Gordon's Corner Water Company PWAC to \$0.00. Petitioner originally requested increased revenues of \$1,827,537 representing an increase of approximately 16.1% over present revenues. Petitioner subsequently submitted updated schedules, based on actual results for the twelve months ended June 30, 2018, revising its request to \$1,541,713, an increase of approximately 13.7% over present revenues.

(3) On April 25, 2018, the Board issued a Suspension Order suspending increases, changes or alterations in rates for service until August 20, 2018. The Board transmitted the matter to the Office of Administrative Law as a contested case where it was assigned to the Honorable Jacob S. Gertsman, Administrative Law Judge ("ALJ").

(4) A telephonic pre-hearing conference was held before ALJ Gertsman on April 23, 2018 at which time dates for a public hearing in Petitioner's service area and evidentiary hearings were scheduled. A public hearing was held on June 5, 2018 at the Manalapan Township Municipal Building in Manalapan, New Jersey, within Petitioner's service area, following publication of an appropriate public notice. One member of the public, Mayor Tom Reynolds of Englishtown, New Jersey, appeared to provide comments on that occasion.

(5) In the course of this proceeding, Petitioner was served with, and responded to, extensive discovery requests by the Division of Rate Counsel ("Rate Counsel") and by Staff of the Board of Public Utilities ("Board Staff"). A discovery and settlement conference was held on Monday, July 30, 2018. Petitioner, Rate Counsel, and Board Staff (the "parties") also conferred by telephone on a number of occasions to discuss the matter.

## II. STIPULATED MATTERS

(1) As a result of an analysis of the petition and exhibits, Petitioner's responses to discovery propounded by the Rate Counsel and Board Staff, as well as their discussions and negotiations in this matter, the signatory parties have reached a Stipulation and do hereby stipulate the following:

(2) The twelve months ended June 30, 2018, adjusted for known and measurable changes, is a reasonable and proper test year period.

(3) For purposes of this Stipulation only, it is stipulated and agreed that Petitioner's rate base is \$10,795,163 and that a fair overall rate of return thereon is 8.304%, which reflects a cost rate for common equity of 9.60%, as shown below:

### Required Cost of Capital

	<u>Amount</u>	<u>%</u>	<u>Cost Rate</u>	<u>Weighted Cost</u>
<b>Common Equity</b>	\$6,541,271	52.00%	9.60%	4.992%
<b>Long Term Debt</b>	<u>\$3,466,496</u>	<u>48.00%</u>	6.90%	<u>3.312%</u>
<b>Total Cost</b>	\$10,007,767	100%		8.304%

(4) As reflected in Schedules A and C annexed hereto and made part hereof, Petitioner's required operating income is \$896,430 and its pro forma operating income is \$42,319, resulting in an operating income deficiency of \$854,111 and necessitating a revenue increase of \$1,256,717, representing an overall percentage increase of 11.51% over present rate revenues.

(5) The revenue requirement to which the parties have stipulated, herein, is necessary to ensure that Petitioner will continue to provide safe, adequate and proper water service to its customers.

(6) Attached hereto as Schedule B are new tariff sheets containing rates and charges conforming to this Stipulation and designed to produce the additional annual revenues to which the parties have stipulated herein. As a result of this settlement, the average bill for a typical customer with a 5/8" meter, using 7,000 gallons of water per month, will go from \$50.11 to \$56.08, an increase of \$5.97 per month, or 11.9%.

(7) Attached hereto as Schedule C is a schedule demonstrating that the new rates will produce the revenues to which the parties have stipulated herein and reflecting the percentage increase for all classes of service.

(8) Petitioner will file a new tariff with the Board, with copies to the parties, in conformity with this Stipulation, to become effective on such date as the Board may direct.

(9) For purposes of any Purchased Water Adjustment Clause ("PWAC") filings to be made by Petitioner in the future, it is stipulated as follows: (a) this matter resulted in the establishment of base rates in a base rate proceeding within the meaning of the applicable PWAC regulations, N.J.A.C. 14:9-7 et seq.; (b) the purchased water expense level in this case is set at \$4,147,998, which is based on Petitioner's paying the following rates, per thousand gallons of water, to its suppliers: \$2.55 to SUEZ-Matchaponix Water Company, \$4.54933 to Marlboro Township Water Utility Division, and \$1.9335 to Aberdeen Township; and (c) the total volume of purchased water used in establishing Petitioner's base costs is set at 1,229,441 million gallons. Attached hereto

and made part hereof as Schedule D is a schedule showing the derivation of the foregoing purchased water volumes and costs.

(10) This Stipulation includes within it a recognition of a separate stipulation agreed upon by the Signatory Parties finalizing and closing the Generic Tax Matter initiated pursuant to the January 31, 2018 Order of the Board in Docket No. AX18010001, *In the Matter of the New Jersey Board of Public Utilities' Consideration of the Tax Cuts and Jobs Act of 2017 ("Generic Tax Order")*. Recognizing that the BPU retained jurisdiction over proceedings on the Generic Tax Order, the Signatory Parties are not requesting any specific New Jersey Office of Administrative law ("OAL") findings with respect to that Generic Tax Order but only findings related to the written Stipulation resolving this base rate proceeding. For the Judge's edification, however, the parties note that the Stipulation finalizing the impact of the Generic Tax Order on Gordon's Corner Water Company (including a \$.56 (56 cent) one time per customer credit) will be implemented concurrent with any BPU action with respect to this Stipulation and will finally resolve both matters.

(11). The Parties agree that the rate design including the proposed fixed charges in this matter was agreed to based on the unique circumstances faced by this Company.

### III. MISCELLANEOUS

(12) This Stipulation applies only to this proceeding and is thus executed by the parties without prejudice to the positions asserted by each in this case and without prejudice to the positions which the parties may choose to assert in future proceedings. The parties further agree that the purpose of this Stipulation is to reach fair and reasonable rates and to conclude this proceeding. This Stipulation is not in any way

intended to restrict or bind any of the parties hereto with respect to substantive positions they may choose to assert in any pending or future rate proceeding in this or any other forum. Therefore, the parties acknowledge that the Stipulation herein has been made exclusively for this proceeding before the OAL and Board.

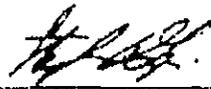
(13) In the event of any modification, amendment or alteration of this Stipulation by the Board, the parties individually reserve the right to either deem the Stipulation void in toto (in which case the parties would revert to the status quo prior to the execution of this Stipulation, which in this matter would be submission of testimony and proceeding with evidentiary hearings) or to consent to the modification(s) in writing.

(14) This Stipulation may be executed in as many counterparts as there are signatories to this Stipulation, each of which counterparts shall be an original, but all of which shall constitute one and the same instrument consisting of several counterparts.

WHEREFORE, the parties hereto do respectfully submit this Stipulation and request that ALJ Gertsman issue an appropriate initial decision settlement, and that the Board issue a Decision and Order, approving it in its entirety, in accordance with the terms hereof, as soon as reasonably possible.

GORDON'S CORNER WATER COMPANY

By: \_\_\_\_\_

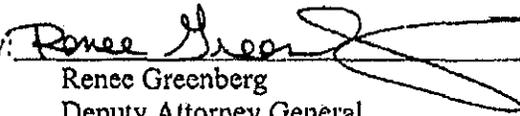


Stephen B. Genzer, Esq.  
Saul Ewing Arnstein & Lehr LLP  
Attorney for Petitioner

\_\_\_\_\_  
Date:

GURBIR S. GREWAL  
ATTORNEY GENERAL OF NEW JERSEY  
Attorney for the Staff of the New Jersey  
Board of Public Utilities

By: \_\_\_\_\_

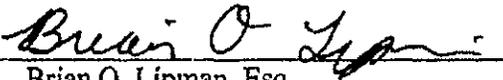


Renee Greenberg  
Deputy Attorney General

August 10, 2018  
Date:

STEFANIE A. BRAND, ESQ.  
DIRECTOR - DIVISION OF RATE COUNSEL

By: \_\_\_\_\_



Brian O. Lipman, Esq.  
Deputy Rate Counsel

August 10, 2018  
Date:

# SCHEDULE A

**SCHEDULE A**

**GORDON'S CORNER WATER COMPANY**

**REVENUE REQUIREMENT SUMMARY**

RATE BASE	\$10,795,163
RATE OF RETURN	8.304%
REQUIRED OPERATING INCOME	896,430
PRO FORMA OPERATING INCOME	42,319
OPERATING INCOME DEFICIENCY	854,111
REVENUE CONVERSION FACTOR	1.47137
REVENUE DEFICIENCY	1,256,717
RATE INCREASE	11.51%

# SCHEDULE B

RATE SCHEDULES

NO. 1: GENERAL METERED SERVICE

APPLICABILITY:

Applicable to the use of water supplied through meters in the territory served by the Company in Marlboro Township and Manalapan Township.

RATE:

MONTHLY SERVICE CHARGES

<u>SIZE OF METER</u>	<u>RATE</u>
5/8"	\$ 16.25
3/4"	24.38
1"	40.63
1-1/2"	81.23
2"	129.96
4"	406.13
6"	812.30
8"	1,300.43

VOLUME CHARGE

USAGE RATE PER 1,000 GALLONS      \$ 5.70

TERMS OF PAYMENT:

Payment is due 15 days from the date of the postmark for valid bills mailed to customers. Bills for metered water service are rendered monthly. Whenever service to a customer is established or terminated during a billing period the fixed service charge will be prorated on a daily basis to the date when service is established or discontinued to such customer.

The state of New Jersey enacted Ch. 443 of the Laws of New Jersey 1983 concerning the periodic testing of public water supplies which established a water tax of \$0.01 per 1,000 gallons of water. This tax is reflected and included in the above rates. Filed pursuant to decision of the Board of Public Utilities, Docket No.818-711, dated 2/9/82.

ISSUED:

BY: DAVID G. ERN, PRESIDENT  
GORDON'S CORNER WATER COMPANY  
27 VANDERBURG ROAD  
MARLBORO, NJ 07746

EFFECTIVE:

FILED PURSUANT TO ORDER OF THE  
BOARD OF PUBLIC UTILITIES IN  
DOCKET NO. WR18030268

GORDON'S CORNER WATER COMPANY  
B.P.U. No. 7 - WATER

15th Revised Sheet No. 29  
Superseding  
14th Revised Sheet No. 29

RATE SCHEDULES

NO. 1A: GENERAL METERED SERVICE

PURCHASED WATER ADJUSTMENT CLAUSE (PWAC) CHARGE

A charge of \$ 0 per thousand gallons for all water sales will be made to recover increases in the purchased water costs not included in the Consumption Charge.

ISSUED:

BY: DAVID G. ERN, PRESIDENT  
GORDON'S CORNER WATER COMPANY  
27 VANDERBURG ROAD  
MARLBORO, NJ 07746

EFFECTIVE:

FILED PURSUANT TO ORDER OF THE  
BOARD OF PUBLIC UTILITIES IN  
DOCKET NO. WR18030268

RATE SCHEDULES

NO. 2: PUBLIC FIRE PROTECTION SERVICE

APPLICABILITY:

To municipalities throughout entire territory for public fire protection.

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 firefighting 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 of 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 reasonable diligent efforts in the light of the circumstances then existing to restore service or to correct its characteristics.

RATE:

ANNUAL SERVICE CHARGES

	<u>RATE</u>
Hydrant charge	\$ 422.86

TERMS OF PAYMENT:

All valid charges for services are due fifteen (15) days from the postmark on the envelope in which the bill is transmitted.

ISSUED:

BY: DAVID G. ERN, PRESIDENT  
GORDON'S CORNER WATER COMPANY  
27 VANDERBURG ROAD  
MARLBORO, NJ 07746

EFFECTIVE:

FILED PURSUANT TO ORDER OF THE  
BOARD OF PUBLIC UTILITIES IN  
DOCKET NO. WR18030268

RATE SCHEDULES

NO. 3: PRIVATE FIRE PROTECTION SERVICE

APPLICABILITY:

Applicable to customers throughout entire territory for private fire protection.

CHARACTER OF SERVICE:

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 reasonable diligent efforts in the light of the circumstances then existing to restore service or to correct its characteristics.

RATE:

ANNUAL CONNECTION CHARGE	<u>RATE</u>
2" CONNECTION	\$ 90.12
4" CONNECTION	449.52
6" CONNECTION	898.80
8" CONNECTION	1,438.68

TERMS OF PAYMENT:

All valid charges for private fire protection service furnished under this schedule are to be rendered monthly or quarterly, at the customer's option, and valid bills are due and payable 15 days after the postmark on the envelope in which the bill was transmitted. Whenever service is established or discontinued during a billing period, the fixed service charge will be prorated on a daily basis to the date service is established or terminated.

ISSUED:

BY: DAVID G. ERN, PRESIDENT  
GORDON'S CORNER WATER COMPANY  
27 VANDERBURG ROAD  
MARLBORO, NJ 07746

EFFECTIVE:

FILED PURSUANT TO ORDER OF THE  
BOARD OF PUBLIC UTILITIES IN  
DOCKET NO. WR18030268

RATE SCHEDULES

NO. 4: OTHER WATER SERVICE CHARGES

- 1) A charge of \$50.00 during normal working hours and a charge of \$100.00 after normal working hours shall be made for resumption of service after discontinuance due to nonpayment of bills or violation of Company's tariff.
- 2) A customer may request one meter test in a twelve (12) month period, without charge. In the event that a customer requests a meter test more frequently, there will be a charge of \$25.00 for testing the meter provided the meter test results are within the prescribed limits set by the Board of Public Utilities. For water meters, an adjustment of charges in accordance with Board of Public Utilities Regulations shall be made where the meter registers fast by one and one-half percent (1.5%). Test results shall be provided to the customer and kept on file at the Company's offices.
  - a) When a billing dispute is known to exist, the 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.
  - b) 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 account is vacant or any other instance where the meter's accuracy might be an issue in a bill dispute.
- 3) There shall be a charge for removing and replacing meters damaged due to negligence of the customer, which will include labor, materials and transportation, not to exceed the cost of a new meter plus a turn on charge of \$50.00 during normal working hours and \$100.00 after normal working hours.
- 4) There shall be a turn on charge of \$50.00 for restoration when service has been discontinued at the request of the customer for seasonal reasons when the meter is not removed. If requested after normal working hours the turn on charge will be \$100.00. Field hours are 8:00 a.m. to 4:30 p.m.
- 5) Bad check charge - should the Company receive 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 the customer a handling charge of \$25.00 per instrument.
- 6) Where water is furnished for building purposes, a flat rate of \$100.00 shall apply payable in advance for each dwelling unit.
- 7) Terms of Payment: Valid bills for water service are due fifteen (15) days from the date of the postmark on which the bill was transmitted.

ISSUED:

BY: DAVID G. ERN, PRESIDENT  
GORDON'S CORNER WATER COMPANY  
27 VANDERBURG ROAD  
MARLBORO, NJ 07746

EFFECTIVE:

FILED PURSUANT TO ORDER OF THE  
BOARD OF PUBLIC UTILITIES IN  
DOCKET NO. WR18030268

# SCHEDULE C

SCHEDULE C

GORDON'S CORNER WATER COMPANY

PROFORMA REVENUES UNDER STIPULATED RATES

METER SIZE	QUANTITY	STIPULATED TARIFF RATE (Monthly)	ANNUAL FIXED REVENUES	% INCREASE
<b>GENERAL METERED SERVICES</b>				
5/8"	10687	\$16.25	\$2,084,143	
3/4"	4115	\$24.38	\$1,203,741	
1"	61	\$40.63	\$29,740	
1 1/2"	14	\$81.23	\$13,647	
2"	36	\$129.96	\$56,145	
4"	17	\$406.13	\$82,851	
6"	3	\$812.30	\$29,243	
Less: Fixed Service Charge for Seasonal Turn-Offs			<u>(\$57,974)</u>	
<b>TOTAL FIXED SERVICE REVENUE</b>			<b>\$3,441,536</b>	<b>15.59%</b>
<b>PRIVATE FIRE SERVICE</b>				
2"	14	\$7.51	\$1,262	
4"	16	\$37.46	\$7,192	
6"	38	\$74.90	\$34,157	
8"	69	\$119.89	<u>\$99,272</u>	
<b>TOTAL PRIVATE FIRE REVENUE</b>			<b>\$141,883</b>	<b>11.25%</b>
<b>PUBLIC FIRE SERVICE</b>				
		<u>ANNUAL RATE</u>		
HYDRANTS	1154	\$422.86	\$487,982	2.00%
<b>TOTAL PUBLIC FIRE REVENUE</b>			<b>\$487,982</b>	
<b>SALES FOR RESALE-ENGLISHTOWN (18.25 MG @ \$5,690/MG)</b>			<b>\$103,897</b>	<b>13.18%</b>
<b>TOTAL REVENUES OTHER THAN FROM CONSUMPTION AND MISC. SERVICE REVENUE</b>			<b>\$4,175,298</b>	
MISCELLANEOUS SERVICE REVENUE			\$29,436	
MISCELLANEOUS NON-OPERATING INCOME			\$370,000	
<b>CONSUMPTION REVENUE (Based on 1,399,244gal x \$5.69/1000G)</b>			<b>\$7,965,883</b>	<b>13.18%</b>
<b>PROFORMA REVENUES UNDER STIPULATED RATES</b>			<b><u>\$12,540,817</u></b>	